

The Cicerone Project Inc.

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NEWSLETTER No 33

January 2005

The Cicerone Project invites you to the following days

"Issues for Autumn...Planning for Reproduction"

Tuesday 15th March, 8.30 am to 3.30pm

A look at each farmlet on the Cicerone Farm
with a discussion on pasture establishment,
grazing management and maximizing potential for stock

Your chance to look at the Cicerone Farms before the Symposium

\$20 for members (includes smoko and lunch)

Please ring 6778 3871 (essential so we can arrange correct lunch numbers!)

SYMPOSIUM

Monday 2nd May 2005

Armidale Bowling Club

The Cicerone Farm Under the Microscope

To be chaired by Ian Rogan of AWI

What we have learned so far from The Cicerone Project

**This will be a great day so please make sure you note the date in your
diary**

More details in the next newsletter

"Managing soil amendments and fertilisers for a cleaner environment".

By Clare Edwards

A new Agfact, recently released by the NSW Department of Primary Industries, provides guidelines for managing fertiliser inputs when improving your soils. It covers fertiliser use, the fate of nutrients after application, and why the environment needs to be considered when making decisions. This includes what happens to nutrients when they are applied to the soil, and what they can do to the environment if they are used excessively or incorrectly.

It suggests three basic principles to ensure that plants use most of the nutrients applied in fertiliser.

- Apply fertiliser/soil amendment at the recommended rate after soil and plant tissue testing
- Match fertiliser/soil amendment application times with those of plant requirements
- Minimise run-off, soil erosion and leaching.

By following these principles, you will gain the most benefit for each dollar spent on fertilisers and simultaneously help to protect the environment.

The Agfact concentrates on best management practices for a number of nutrients while emphasising how to protect the environment. As well as comments on heavy metals, there is discussion on the different types of fertilisers (including organic fertilisers) and what happens to fertiliser nutrients once they are applied to the soil. This article will focus on how phosphorus (P) reacts with and moves within the soil, and is based on information in the Agfact. The Agfact is available from NSW DPI offices or from www.dpi.nsw.gov.au.

Organic matter in the soil holds small amounts of P and, when broken down by microbes, it releases Inorganic P and

other nutrients that plants can use. Unfortunately, the quantities released are generally inadequate for agricultural production, and P in the form of fertiliser must be added to most Australian soils to meet plant requirements where factors such as moisture or other nutrients are not limiting growth.

The reactions of fertiliser P in soils are very complex. In acid soils, P forms compounds of extremely low solubility with iron and aluminium, while in alkaline soils it binds with calcium. The result is that little applied P is immediately available to plants. The recovery of phosphorus top-dressed onto a pasture may be as low as 10% in the year of application, with any residues becoming less available over time. In the long term, 30 to 50% may be recovered.

P fixes (binds) strongly to clay. In clay, the aluminium content is much higher than the iron or calcium content, so added soluble P is most likely fixed as aluminium phosphate in the initial stage of the reaction. As time passes, the phosphates change to the less soluble iron phosphate. The mobility of phosphate ions in soil is restricted, so the rate of change is slow, but increases with increasing moisture content and temperature. In most soils,

P does not move far from where it was placed because of the normally rapid reaction with the soil and the insolubility of the newly formed P compounds.

In all except very sandy soils, P moves only 1mm to 5mm from the phosphate source, whether manufactured or organic. Thus, surface-applied P is usually only available to plant roots near the surface, mostly when the soil is moist.

This low mobility, combined with the insolubility of the P compounds formed in the soil, means that in most soils very little fertiliser-derived P is leached or dissolved in run-off unless there is heavy rain immediately following fertiliser application. In most cases, the P that is lost (from both fertiliser and natural sources) is attached to eroded soil particles. This means that the P is not readily soluble in water, although in the long term it can be released from dam and waterway sediments back into solution especially under low oxygen conditions. However, in well-managed

pastures, there is less erosion and any excess P can move in the dissolved form. This P can be derived from fertiliser, manures or leaf litter in the pasture.

This topic and others are also covered in the NSW Department of Primary Industries LANDSCAN course, starting in early 2005. LANDSCAN is a practical six-unit course based on soil test and soil type information combined with paddock observations. It is run over five half-day units, with a full day for the sixth and final session. It explores the physical, biological and chemical nature of soils. The course also helps to identify what constraints there may be in the landscape and allows sustainability and production priorities to be determined. If you would like to know more about the course content, how much it costs or to register your interest, phone Clare Edwards, NSW Department of Primary Industries, Armidale on 6776 5000. Clare can also arrange to send you a copy of the Agfact "Managing soil amendments and fertilisers for a cleaner environment".

Meet Your Cicerone Team

The Cicerone Board is made up of producer members :-Terry Coventry, Simon Croft, Phillip Dutton, Brian Gream, Hugh Sutherland and Mark Waters [Clare Belfield has recently resigned as she has moved to Sydney], and one representative each from Agribusiness (Betty Hall), CSIRO (David Paull), NSW DPI (Bob Marchant), TAFE (Pauline Smith) and UNE (Jim Scott). Following is a brief introduction to some of the Board members.

Terry Coventry

Terry has been the Chairman of the Cicerone Board for two years. For forty years he has been a wool producer east of Armidale at several addresses. Wool has always been his prime source of income, but he has been involved in large-scale prime lamb production, beef breeding, local trade steer fattening, winter cereals for grain and feed production, and summer tableland production of feed and grain crops. His interest lies in sustainable pasture production delivering evenly grown, high quality 18 micron wool in quantities suitable for mill lots. He is also interested in following this wool through the pipeline to its consumable stage and ensuring latest technology

is used in this process. By his involvement in *Cicerone*, where he can assess some of the production methods, Terry hopes to have some bearing on increasing this efficiency.

Phillip Dutton

Phillip is a producer member with over 30 years in agriculture. His property Goomallee is 20 km SE of Uralla, is 1350 ha in size and runs 8000 superfine sheep with emphasis on elite wool production, including a stud with 600 stud ewes. Also they run a cattle growing and fattening enterprise. Phillip is a member of Harnham Landcare, the Challenge Wool Committee and was a member of Armidale Show involved with the fleece and junior fleece judging competitions. Winner of The Land Farm Inventor of the Year in 1993 with the Dutlevel, Phillip also invented and developed the DUTJET jetting wand. He is married to Pam and they have 4 children.

Brian Gream

Brian joined CSIRO in 1952 as a laboratory assistant at Chiswick and worked in the Parasitology section for eight years before transferring to Arding Field Station where his responsibilities were property management and collecting data on the various sheep breeding trials being run there. In 1965 CSIRO acquired Longford to expand their sheep breeding research. About 1985 Brian became Properties Manager and Coordinator of the three Armidale properties run by CSIRO. He retired in 1991 to take up full time management of the family farm that had been acquired in 1975. His special interests are the production of superfine wool and sheep meat. He attempts to produce animal products in an efficient and sustainable way where the bottom line is paramount. His interests in the objectives of the *Cicerone* Project are very much related to his own situation. Comparing grazing systems, stocking rates, pasture types and fertiliser inputs are problems and decisions Brian grapples with continually. He hopes that his involvement with *Cicerone* will assist him in making better informed decisions for his particular enterprise.

Betty Hall

Betty is a consultant veterinarian specialising in animal production and health. Her particular interests are in internal and external parasite control in sheep and cattle, grazing management for parasites and pastures and supplementary feeding and nutrition in terms of macro-elements, micro-elements and nutrient imbalances.

Next to sheep [and those aggravating worms] her passions are her sons, her garden, theatre and the performing arts which keep her sane! Betty says that farmer led projects such as *Cicerone* are critical if relevant research is to be conducted responding to the actual needs of grazing enterprises. *Cicerone* allows for sound interaction between researchers, advisors and producers.

David Paull

David has been a *Cicerone* board member for the last four years, representing CSIRO Livestock Industries during that time. He has over 20 years experience working at Chiswick in both research projects and as a liaison officer for part of that period of employment. The variety of research projects that David has been involved include: Trace element supplementation of livestock, Fecundin® and Vaxstrate® vaccine development, topical vaccination of livestock and more recently experiments, immuno-potentiation of vaccines and more recently stress physiology of sheep and cattle.

Jim Scott

Jim is a Professor with the Centre for Sustainable Farming Systems at the University of New England. He has a particular interest in the balance between production and sustainability over the long term. Also he has conducted research on measuring sustainability, the establishment of pastures, the management of pastures through drought, and pasture plant adaptation. He is the coordinator of

UNE's Centre for Sustainable Farming Systems which includes some 27 academic staff who have interests including soils, agronomy, plant protection, natural resource management, economics, etc. He is keenly interested in gaining greater adoption of sustainable and profitable practices on farm through getting researchers and farmers to work together to understand whole farm systems at a scale which is credible to both. He has been involved in the Cicerone Project since its inception in 1998. He has recently expanded his interests to include Mixed Farming Systems with support from the Grains Research and Development Corporation and will be working more with farmer groups in the Slopes and Plains.

Pauline Smith

Pauline grew up on a property near Inverell and completed her B.Rur.Sc at UNE in 1978 and a Master of Rural Science at UNE in 1984 focusing on Blowfly strike of sheep while working as an Associate lecturer at UNE. In 1987 she started work with TAFE in Tenterfield and returned to Armidale in 1988 to lecture in Sheep Wool and Alpaca production. She is now Head Teacher Agriculture at Armidale TAFE Rural Skills Centre which was selected to be an OFFM program deliverer in the New England Region.

Her main areas of teaching are wool classing and sheep production. In 1988 she returned to commercial wool and livestock production on a property at Inverell, currently running 5000 superfine sheep and 300 cattle, which demonstrates the application of sound management practices and business management. In 2001 Pauline set up the Mossgrove Poll Merino stud. This operation runs 15000 DSE on 2500ha of granite and basalt country. She carries out all sheep management practices including; mulesing, crutching and shearing, worm testing, sheep selection, drenching and lamb marking. Pauline has been a Cicerone Board member since 1999

Hugh Sutherland

Hugh studied Agricultural Economics at UNE and also spent a lot of time on the rugby field! He then moved to Sydney as a Stockbroker where he continued to play rugby! He became an Agribusiness consultant with Hassall and Associates before returning home to run the family property, Deeargee Uralla, in 1989. He is a past NSW Farmers Wool Committee and Wool Council of Australia representative for 3 years and completed the Australian Rural Leadership Program Course in 1997. Hugh was also involved for 3 years with the Woolmark Company as the High Rainfall Zone Representative (Research and Development priorities). Hugh was the first Chairman of the Cicerone Board and held the position for 4 years. He is married to Cathie and they have four children.

Mark Waters

Mark was born, raised and educated in Armidale and then attended Orange Agriculture College where he completed his Associate Diploma in Farm Management. His family operates a farm business east of Armidale over four properties concentrating on Merino sheep for fine wool production. They also run beef cattle targeting steers for the feedlot trade. He has done the Grazing for Profit and Prograze Courses and has been a member of Cosney Creek Landcare group since 1994. Mark is Head Steward of the Wool Section of Armidale Show. His interests are in livestock production and breeding as well as providing enough pasture for these animals. Mark is married to Lesleann and they have three children at Armidale City Public School.

Would you like to become a producer member of the Cicerone Board?

Clare Belfield has recently resigned from the Board as she is returning to Sydney to work.

We'd like someone to take her position to maintain the producer majority on the Board.

Please contact Caroline on 6778 3871 if you are interested.

Compare Measure Learn Adopt

Some figures from The Cicerone Farms in November/December

	Farm A	Farm B	Farm C
DSE	21	15	15
Black Steers (on agistment) wt gain	1.01 kg/day (used to clean pasture)	1.52 kg/day (on good pasture for wt gain)	1.15 kg/day (on good pasture for wt gain)
2003 drop wt gain	138 g/day	109 g/day	157 g/day
Overall Lambing %	85%	90%	84%
Twin %	145%	140%	Not separated
02drop lambing %	62%	76%	83%
Supplementary feed in early pregnancy [pre-scan]	4.8 kg lupins	3.9 kg lupins	3.9 kg lupins
Supplementary feed later pregnancy Twins	9.7 kg lupins 10 kg maize	14 kg lupins	10.8 kg lupins, mob not split
Supplementary feed later pregnancy Singles	6.9kg lupins 5.2 kg maize	9.2 kg lupins	
Supplementary feed last weeks Maidens	4.5 kg lupins 5.2 kg maize	6kg lupins	7 kg lupins
2004 drop wt at marking	16 kg	17 kg	16 kg
Ewe losses since shearing	7%	3%	2%
Overall lamb losses from scanning	31%	18%	20%

The age structure of the flock has a high proportion of ewes 6.5 to 9 years old (partly as a result of the 'swap' with CSIRO for our wether lambs). At weaning we have culled 50% of the ewes on age alone.

PROGRAZE and GrazFeed programs were used to calculate supplementary fodder for ewes through winter to lambing in mid-late September. In the end we found some ewes on Farm A [the high input farm] were overfed so we had several with dystocia with big, single lambs causing the problems.

There are some interesting questions raised from the A farm in particular:-

Week	Mob	Feed given per head per week	Total
25 Jun to 6 Aug	A Ewes all	0.05 to 2 kg lupins	4.8 kg
Post scanning			
6 Aug to 17 Sept	A Ewes single bearers	1.2 kg lupins	6.9 kg
27 Aug to 10 Sept	A Ewes single bearers	1.5 to 2.2kg maize	5.2 kg
6 Aug to 17 Sept	A Ewes twin bearers	1.5 to 1.8 kg lupins	9.7 kg
27 Aug to 10 Sept	A Ewes twin bearers	3 to 3.5 kg maize	10 kg
27 Aug to 17 Sept	A Ewes maiden	1.1 to 1.2 kg lupins	4.5 kg
27 Aug to 10 Sept	A Ewes maiden	1.5 to 2.2 kg maize	5.2 kg

Why the high loss of lambs from the maiden's [22% on A, 9% on B and 0% on C] especially on Farm A where no dead lambs were found, no ewes were lost and the ewes were very fat. What happened between scanning and lambing?

The ewes were separated into twin and single bearers for feeding. What would have happened if we had kept them together, as many graziers do, and fed all to one level or the other... if we'd fed all the ewes at the high rate we would have had massive dystocia problems; if we'd fed all the ewes at the low level we would have had a poor result for the twin bearers. So the message is to separate and feed appropriately!

In future we at Cicerone need to look more closely at the quality and amount of pasture which may become available through winter growth, the quantity of grass the sheep actually eat and the weight, type and timing of supplementary feed given.

*The team from The Cicerone Project would like to
wish you all a healthy, happy and prosperous 2005*

Compare Measure Learn Adopt

The Cicerone Project Inc.

PO Box 1593
ARMIDALE
NSW 2350

The Cicerone Project gratefully acknowledges the funding support given to them by Australian Wool Innovation and thanks AWI for continuing the funding for another year.

• **australian wool**
innovation
• **limited**

Newsletter Editor: Caroline Gaden, Executive Officer of The Cicerone Project Inc. This newsletter is copyright © and no part may be reproduced without due acknowledgment. The views expressed by the authors are not necessarily those of all members of the Cicerone Board.

CICERONE PROJECT INC.

**AUDITED FINANCIAL REPORT
YEAR ENDED 30TH JUNE 2004**

**CICERONE PROJECT INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2004**

	2004 \$	2003 \$
ASSETS		
Current Assets		
Bank working account	384	-
Sundry Debtor (note 2)	-	30,000
GST refund due	-	2,463
Stock on hand at average cost - sheep (1178 hd)	16,436	14,796
Stock on hand at average cost - C cattle	0	8,773
TOTAL CURRENT ASSETS	<u>16,820</u>	<u>56,032</u>
NON CURRENT ASSETS		
Investments - deposits	29,397	63,244
Fixed Assets - at cost	47,703	47,703
Less - provision for depreciation	-24,035	-17,133
TOTAL NON CURRENT ASSETS	<u>53,065</u>	<u>93,814</u>
TOTAL ASSETS	<u>69,885</u>	<u>149,846</u>
CURRENT LIABILITIES		
Creditors and Accruals (note 2)	6,880	16,364
Bank working account		13,222
TOTAL LIABILITIES	<u>6,880</u>	<u>29,586</u>
NET ASSETS	<u>\$63,005</u>	<u>\$120,260</u>
REPRESENTED BY MEMBERS FUNDS:		
Opening Balance - 1st July 2003	120,260	135,891
Add/-Less: Surplus/-Deficit for year	<u>-57,255</u>	<u>-15,631</u>
TOTAL MEMBERS FUNDS	<u>\$63,005</u>	<u>\$120,260</u>

**CICERONE PROJECT INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR YEAR ENDED 30TH JUNE 2004**

	2004 \$	2003 \$
OPERATING INCOME		
Agistment	-	3,973
Donations Received	-	450
Entrance Fees	903	327
Sheep Trading Profit/-Loss	1,640	-828
Cattle Trading Profit	18,232	-
Subscriptions Received	4,375	5,138
Refunds & Sundry Income	3,004	2,050
Tree Planting	8,751	-
Wool Sales	17,449	41,535
	<u>54,354</u>	<u>52,645</u>
OTHER INCOME		
Industry Funding - AWI (note 3)	30,000	120,000
Interest Received	1,741	1,941
Total Income	<u>86,095</u>	<u>174,586</u>
LESS - OPERATING EXPENSES		
As per schedule attached	143,350	190,217
NET SURPLUS/-DEFICIT for year	<u><u>-57,255</u></u>	<u><u>-15,631</u></u>

CICERONE PROJECT INC.
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED 30TH JUNE 2004

OPERATING EXPENSES	2004	2003
	\$	\$
Accountancy & Audit Fees	1,480	2,000
Advertising & Publicity	675	2,112
Administration Expenses	1,303	2,022
Animal Health	3,919	3,349
Bank Charges	74	74
Commission & Yard Dues	1,705	1,185
Consultancy & Contracts	-	3,399
Data Base	-	3,000
Depreciation	6,902	10,969
Ear tags	-	2,871
Farm Vehicle Expenses	4,662	4,929
Fertilizer & Pasture Establishment	8,201	12,936
Fodder	-	20,057
Freight	808	930
Hire of Equipment	-	2,470
Insurance	648	628
Licences & Permits	263	105
Measurements - Nutrients	97	-
Measurements - Plants	894	-
Measurements - Twin Scan & Devices	845	-
Measurements - Worm Eggs	1,162	756
Measurements - Maps	-	1,320
Measurements - Wool	5,101	3,254
Postage & Stationery	760	2,108
Protective Clothing	-	116
Rent	1,582	3,464
Repairs & Maintenance:		
Fences	365	303
Plant	274	1,269
Sundry	-	1,852
Shearing & Crutching	4,951	7,545
Sheep Coats	1,978	2,600
Seminar Expenses & Dinners	1,340	2,363
Subscriptions	357	191
Superannuation	5,974	6,063
Soil Tests	-	2,250
Sundry Expenses	82	386
Telephone	1,517	1,554
Training Course	1,366	591
Travelling Expenses	738	-
Trees	1,910	3,891
Weed & Pest Control	-	27
Wool Selling Expenses	1,774	783
Workers Compensation Insurance	902	722
Wages:		
Casual	9,249	5,624
Administrator	40,759	40,938
Farm manager	28,733	27,211
Total Operating Expenses	<u>143,350</u>	<u>190,217</u>

**CICERONE PROJECT INC.
LIVESTOCK TRADING ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2004**

SHEEP

	No.	Average	\$
Sales	0	0.00	0
<hr/>			
Less - Cost of sales			
Opening stock - at average cost	768	19.27	14,796
Purchases	0	0.00	0
Natural Increase	410	4.00	
Closing stock - at average cost	-1,178	13.95	-16,436
	0		-1,640
<hr/>			
Gross Profit			<u>\$1,640</u>

CATTLE

	No.	Average	\$
Sales	60	595.37	35,722
<hr/>			
Less - Cost of sales			
Opening Stock - at average Cost	35	250.65	8,773
Purchases	27	322.89	8,717
Losses	-2		
Closing stock - at average cost	0	0.00	0
	60	291.50	17,490
<hr/>			
Gross Profit			<u>\$18,232</u>

CICERONE PROJECT INC.
Notes to the Financial Statements
For the year ended 30 June, 2004

Note 1: Statement of Accounting Policies

This financial report is a special purpose financial report prepared for use by the committee and the members of the organisation. The committee has determined that the organisation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AAS 5: Materiality

AAS 8: Events Occurring After Reporting Date

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on a modified cash 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 specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the organisation.

(b) Inventories

Inventories are measured at the lower of average cost and net realisable value.

Note 2: Sundry debtors & creditors

The financial statements are prepared on a cash basis of accounting where income is brought to account when received and expenses taken to account when paid. The following transactions (excluding GST and PAYG tax) that occurred after the end of the financial year, relate to the period prior to 30th June and were unusually delayed due to circumstances beyond the control of Cicerone. These transactions have been taken up as owing to/by Cicerone as at 30th June to avoid abnormal distortion of the results for the relevant year.

(a) Sundry debtors

	2004	2003
AWI quarterly funding due but received after 30 th June	<u>-</u>	<u>30,000</u>

(b) Sundry creditors

	2004	2003
GST & Employee PAYG withholding tax	<u>6,880</u>	<u>5,166</u>
CSIRO – net sheep trading transactions paid after 30/6/03		<u>11,198</u>
	<u>6,880</u>	<u>16,364</u>

These notes should be read in conjunction with the attached financial statements.

CICERONE PROJECT INC.
Notes to the Financial Statements
For the year ended 30 June, 2004

Note 3: Continuing Funding

The continuing operations of Cicerone Project Inc. is largely dependent on the continuation of industry funding from AWI. This funding ceased during the year and a process to re-establish funding has resulted in the recommencement of funding grants from July 2004, with the first receipt of \$55,000 in August 2004.

Note 4: Expenditure commitments

As at 30th June 2004, Cicerone Project Inc. had an expenditure commitment to an external supplier of approximately \$6,500 for the provision of database software and associated services. This amount has not been included in the financial statements.

Note 5: Donations “in kind”

During the course of its operations, Cicerone Project Inc. receives “in kind” donations from various suppliers and service providers, in recognition of the industry benefits provided by the activities of the organisation. These amounts have not been included in the financial statements for the year.

Cicerone Project Inc. Officers' Declaration

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

We declare that:

1. The financial statements and notes, present fairly the organisation's financial position as at 30 June, 2004 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In our opinion, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable.

Caroline Angela Gaden: _____

David Robert Paull: _____

Dated: _____

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CICERONE PROJECT INC.**

SCOPE

We have audited the attached special purpose financial report, comprising the Statement of Financial Performance (Income & Expenditure) and Statement of Financial Position (Balance Sheet) of the Cicerone Project Inc., for the year ended 30 June 2004. The committee is responsible for the financial report and have determined that the accounting policies used are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of members.

The financial statements have been prepared for distribution to members for the purpose of informing the members of the operation of the organisation and fulfilling the requirements of the Associations Incorporation Act (NSW). We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any persons other than the members, or for any purpose other than which it was prepared.

Our audit has been conducted in accordance with the Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. 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 the accounting policies described in Note 1 to the accounts. These policies do not require the application of all Accounting Standards and other professional reporting requirements in Australia.

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

AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with the accounting policies described in note 1 to the financial statements, the state of affairs of the Cicerone Project Inc. as at 30 June 2004 and the result of its operations for the year then ended.

Date _____

**PS Accounting Pty Ltd
161 Rusden Street
ARMIDALE NSW 2350**

RJ LOCKE