Genetics Australia Co-operative Limited

2021-2022 ANNUAL REPORT

www.genaust.com.au

DIRECTORS

Trevor Henry
(Chairman)
Maffra, Vic.

Trevor joined the Board in May of 2010 and became Chairman in 2016. Formerly a director of the Macalister Demonstration Farm Board for 10 years, serving the last 4 as Chairman. Trevor is passionate about the continued development of the genetics best suited to our farming systems with the traits that can make dairy farming a sustainable and profitable business. Trevor along with his wife Tracey & children run Wilara Holsteins, a year-round, split-calving, 500-head Holstein milking herd and is ranked in the top 15% of the top Holstein herds in the country.

Craig Drake
Dip. Ag. Sci., Dip. Farm Man., FAICD
Allansford, Vic.

Craig was elected to the board in December 2011. He has been a director of Tas Herd since 2000. He is a former board member of Warrnambool Cheese & Butter and former chairman of Western Herd Improvement. Craig was Deputy Chairman between 2015 and 2021 and is also a member of the Audit and Risk Management Committee.

Rohan Sprunt
Bbus.
Kaarimba, Vic.

Rohan was elected to the board November 2015. Rohan has a Bachelor of Business and is a qualified Accountant. Rohan has spent well in excess of ten years on the board of Jersey Australia and formerly Australian Jersey Breeders Society (Vic. Branch) in two separate sittings. During his time at GA, Rohan has been a member of the Audit & Risk Management Committee. Rohan runs Kaarmona Holsteins & Jerseys with brother Graeme, who have bred a number of breed leading sires of their era such as Valerian, Atley, Cardinal, Karat, Impeccable, etc, and ranks in the top 10 herds for both breeds in the country.

Tim Humphris
BVSc ., MVS
Nirranda South, Vic.

Tim was elected to the board in November 2018, he has a Bachelor of Veterinary Science and a degree of Master of Veterinary Studies in Veterinary Clinical Sciences Dairy Medicine and Management. Tim has been a committee member of the Standing Committee for Genetic Evaluation with Datagene for the past four years. After 15 years of working as a dairy veterinarian, Tim has now been farming for the last 15 years. He runs a 550 cow three way cross dairy herd using Holstein, Jersey and Aussie Red genetics. He is also a member of Holstein Australia and the Australian Red Dairy Breed. Tim is a member of the Audit and Risk Management Committee and also member of the Animal Health & Welfare Committee.

John Pekin
(Deputy Chairman)
BAgrBusMgt., Adv.Dip.Ag.
Kolora, Vic.

John was elected to the Board in November 2016. John has a Bachelor of Agricultural Business Management and an Advanced Diploma of Agriculture. He was a speaker at the 2019 Australian Dairy Conference on the success of genomically testing his herd. He worked for Western Herd Improvement as an AI technician for 10 years in local dairy herds and conducted/ managed synchronised AI programs in beef herds in Victoria. John is a member of the Remuneration and Animal Health and Welfare sub committees. John and his wife Kristen run a 330-head herd and is ranked in the top 20 Holstein herds in the country. He was elected Deputy Chairman of the board in 2021.

John Duffield
(Audit and Risk Chairman) Koroit, Vic
Dip Bus (Acct), MBA, FCPA and GAICD.

John was appointed to the Board as an independent member in July 2021. John holds a Diploma of Business Studies (Major in Accounting), Masters of Business Administration (Specialisation in Strategy and Planning), Fellow of CPA's Australia, and a Graduate of AICD program. John has recently retired from full time work but was previously employed at Saputo Dairy Australia as a Senior Project Manager (business transformation projects) but has held senior finance and IT positions with Warrnambool Cheese and Butter, Boeing Constructors, and Alcoa Australia. He is also an independent member of the Moyne Shire Audit and Risk Committee.

Lucinda Corrigan
B. Sc. Agr (Hons 1) Bowna, NSW.

Lucinda and her family run a performance recorded herd of 2,300 cows on two aggregations in Southern NSW at Bowna and Culcairn. Rennylea Angus has been at the forefront of measuring performance since 1985. Lucinda has spent her professional life working in innovation across the livestock industries. It includes 9 years as a Non Executive Director of Meat and Livestock Australia and Chair of the MLA Donor Company. Currently she chairs the Sheep Sustainability Framework Governance Committee, is a non executive director at dairy company Datagene and Chair of the Animal Breeding and Genetics Unit at UNE.

Michael Carroll
B Ag Sc, MBA, FAICD Armadale, Vic

Michael was appointed to the Board as an independent director in July 2021. He has had a lifelong interest in livestock breeding and genetics and runs a performance-recorded Angus enterprise at Derrinallum. Following a career in finance, Michael has served as a non-executive director with a number of private, publicly listed, government, and not-for-profit food and agribusiness companies.

CHAIRMAN'S REPORT

On behalf of the Genetics Australia Board, I am proud to reflect on our successful 2021-22 year.

As we end one of our most successful financial years on record, it is timely to consider what contributed to this outcome.

Beef and dairy industries have enjoyed high prices and record sales and the Co-operative performance is closely aligned with the health of the industries we service. While industry forecasts remain strong in the short to medium term, we remain exposed to the highs and lows of Australian agriculture as drought and floods will continue and competition will remain strong.

The decision made by the Board to acquire TLG is proving to be a positive one that will have long term benefits for our Co-operative. Credit goes to the TLG and GA teams that accepted the changes and simply got on with the job to build the new and expanded Co-operative. The purchase of the Glenormiston property by June 30 was brought forward and became the final process in the purchase of TLG. We are pleased with the benefits that have already flowed from this investment.

L-R, Greg Tiller, Rodney Brooks, Gerard Brislin, Coleman Baulch & Graham Heaver

While this was one of the most significant moves in recent decades, Genetics Australia continues to look for partnership and investment options both locally and internationally to support our breeders.

Mergers and acquisitions and consolidation of the breeding industry continues worldwide, and the Board will scan the international landscape for opportunities to make the Co-operative even more sustainable and successful into the future.

With restricted access to international genetics, there is good reason for us to consider partnering with an international player. To remain relevant, we need to be able to access some of the best international genetics and will continue to have conversations with potential partners.

Our international focus continues as more countries see first-hand the contribution Australia genetics can make, either in grazing systems or in higher input feeding systems. After the disappointment of Chinese authorities closing the door on genetic imports from Australia, we are establishing a high profile in Pakistan where bulls are sold on BPI and imported heifers are also being selected for export based on their breeding values. We congratulate Export Manager Rob Derksen for developing this new market.

We also appreciate the work done by service providers and industry organisations. We have a lot in common in helping Australian producers, beef or dairy, contribute to their respective industries.

Sustainability is a buzz word for every organisation and Genetics Australia is proud to be a leader in this field. We aim for sustainability in our product development, the land that we care for and in our business operations.

Rob Derksen & Anthony Shelly with Jen and Andrew Vander Meulen from Avonlea Genetics

The Co-operative has long espoused the need for a "green" cow for Australian conditions and we fully support and congratulate DataGene on its foresight in creating a Sustainability Index this year. The continual improvements to the ABV system make the job of sire selection suited to individual breeding goals relevant and we can be very proud as an industry to have available such a world class system. The uptake and acceptance of Australian Breeding Values are as strong as they have ever been and it is widely recognized by many across the industry that "BPI, it just works".

Genetics Australia is keen to drive sustainability as far as possible to make a clean, green Australian cow by using the country's great scientific research and recognising the importance of environmental impacts when selecting our genetics. We will continue to give priority to polled, heat tolerance and feed efficiency traits, among others, to creature profitable and sustainable animals.

It's not because we have to do this, it's because we want to.

Our bulls continue to rank with the best in the world and we can all be proud of the strength and quality of the genetics that have been developed in this country.

Our success doesn't come without diligent planning and decision making at a Board and management level.

I would like to thank Rohan Sprunt who resigned in February 2022. Rohan chaired our Audit and Risk Committee for the past year and his contribution over many years was highly valued and we look forward to continuing our connection with him as a leading supplier of high rated Holstein and Jersey bulls.

Lucinda Corrigan was appointed to the Board in March 2022 and has brought an invaluable skill set to the organisation. Lucinda's high profile in the beef industry complements our desire to become Australia's leader in beef genetics.

The management team and all staff under both GA and TLG banners deserve recognition and praise for their positive attitudes to push through an exciting but challenging time for the Co-operative.

We've gone through a significant changes but the whole team needs commendation for their roles in achieving our good outcomes.

Our CEO Anthony Shelly has led with passion, knowledge and drive. Anthony continues to drive improvement across all segments of the business and team. An example of this is nine members of the senior

GA group are currently enrolled in a leadership training course aimed at enhancing professional and personal development for these team members.

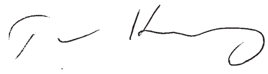
The financial outcome is the best in memory and our record-breaking semen production has exceeded ambitions. Ruth Barber and her team must be congratulated for that performance. Our team pride themselves on delivering world leading products and services to our customers and just get in and get the job done.

We are committed to improve our engagement with shareholders and customers and have undertaken a marketing analysis and customer survey. The information we will learn from the feedback will give us a more informed approach to our marketing and develop programs to implement into the future.

Customers and shareholders are time poor and we need to engage with them succinctly and with enough information for them to make the best decisions for their businesses.

Genetics Australia needs to be proud and yet humble about the work we have done and keep driving for even better outcomes. We need to be proud of the cow we have helped develop in Australia over the past 65 years that is so robust and adaptable to all feeding and environmental conditions, but we must not rest on our laurels.

I would like to conclude by thanking my family for their ongoing support, my fellow Board directors for their dedication, staff for their professionalism and every shareholder and customer who has continued to support our Co-operative.



TREVOR HENRY
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REVIEW

INTRODUCTION

Genetics Australia continues to go from strength to strength and 2021-22 has been one of the most successful years in our long history.

From both financial and business performance perspectives, GA has had an exceptional year, reflecting the strong state of our livestock industries and the quality of our team and our products.

We have confirmed our status as Australia's number one producer of semen and sales have been strong across all facets of our business.

This has been a period of great success for our industry and we are pleased to share in those accomplishments.

FINANCIAL PERFORMANCE

Genetics Australia's total group returned a profit after providing for Income Tax for 2021-22 of $861,210 based on revenue of $16,829,051

This post-tax profit is the Group's best financial outcome for at least 20 years and is $690,759 above last year's positive result.

- Genetics Australia's total comprehensive income for the year: $764,833
- Genetics Australia's total income for the year 2021-22: $11,143,023
- Group comprehensive Income for the Year 2021-22: $ 881,158

The group net assets for 2021-22 remain strong at $16,617,669 an increase of $914,757 over 2020-21 with a positive cash position of $537,764

Much of this success has been driven by the purchase of TLG and the economies of scale and efficiencies resulting from that investment.

The strength of our products and our reputation in the market are also important contributors to the result, and the farmgate environment has been as strong over the past three years as it has been for many decades.

I wish to thank our Financial Manager Indra Dona and her team for their contribution to this excellent outcome and thank all of our customers and Co-operative members for their continued support.

BUSINESS PERFORMANCE

Genetics Australia continues to invest in programs, equipment and infrastructure to ensure we produce the best products for GA and private breeders.

We delivered above expectations in 2021-22 and continue to look forward to more success in the future.

With COVID-related challenges now mostly behind us, Genetics Australia has emerged stronger than ever. We appreciate the work that staff and our distribution network did through the uncertainty and challenges the pandemic caused.

Our recent success has mirrored the good seasonal conditions across Australia along with record beef prices and dairy farmers enjoying higher milk payments. While this is a positive environment, some farmers are taking the opportunity to sell, placing extra challenges in dairy farm numbers across Australia. Challenges also remain in some regions as drought has been replaced with high rainfall leading to severe flooding.

Farming will always throw up challenges but Genetics Australia is in a strong position to deal with any future trials.

The prudent purchase of TLG continues to make a positive impact to the status and operations of the Co-operative. The foresight of the Board to progress this acquisition is to be commended.

Our semen collection has reached record levels. When we purchased TLG we set an ambitious target of producing 100,000 units of semen per month and we have already surpassed that milestone, finishing the year in excess of 1.2 million units.

It is pleasing that we have hit that mark in our first full year as an expanded entity.

The ongoing demand for sexed semen continues to add additional challenges, especially in supply of fresh sexed semen, but having the sorting laboratory on site at TLG maximises availability for our members.

The latest NHIA semen survey shows Genetics Australia is the number one player in the dairy space and one of the leading companies in the beef market. This is great news for our Co-operative.

As part of the TLG purchase, we committed to buy an additional 485 hectares at Glenormiston and that $6.8 million investment was settled in June. This is a significant strategic investment in the future of the co-operative.

The integration of the TLG team has been a highlight of the year. We have been able to work cooperatively and constructively to ensure a smooth transition.

The sale of Parwan Park at Bacchus Marsh was formally settled during the reporting period, ending an historic connection to the region. This land was part of the foundation of Genetics Australia but the decision to concentrate and consolidate our operations in south-west Victoria is already paying dividends.

The Co-operative retains an office with an administrative team and merchandising distribution on the Parwan Park South property.

It is worth noting that this sale was not a contributor to our strong financial position.

The decision to find a more cost-effective way to deliver our services in the important New Zealand market has also been a success.

STgenetics-New Zealand is now the exclusive distributor for genetics from Genetics Australia. Seasonal programs and a period of no farm visits put a great strain on our previous New Zealand business and an opportunity came up where ST New Zealand was keen to bolster their product offering.

Apart from Health Certificate changes restricting the export of genetics following the Mycoplasma Bovis outbreak, we have been pleased with the feedback on the performance of the milking daughters in New Zealand and the way ST NZ has embraced the Australian product. This change will make it a more profitable market for us in the future.

Our bull teams have never been stronger. We are well positioned to meet industry needs with greater A22 bulls available and homozygous polled bulls beginning to match the genetic merit of non-polled lines.

The significant investment in further developing the TLG genetics portfolio is paying dividends. During the year the portfolio has expanded in quantity and depth of genetics. The highlight sire for the year was definitely CARTEL whose well-balanced breeding values created strong demand for his genetics.

The Jersey team has never been stronger with bulls like DOUGGAN and PICKLE ranking number 1 on ABV proven and genomic lists and bulls like ASKN being used by some of the leading breeders in North America.

Our Holstein program continues to deliver pleasing results, the three “SUPER” bulls, SUPERPOWER, SUPERDAVE and SUPERHERO ranked well on BPI based on their milking daughters while TOMMYDEE stood at the top of the Holstein genomic bulls available. Early reports on the first milking PEMBERTON daughters were very positive and he was returned to service and we look forward to his future daughter-proven ABV.

SUPERPOWER

The Australian Red genomic list was dominated by ARBPRIMESTAD, a popular polled bull ranking in first position, closely followed by ARBMCKEON.

ARBPRIMESTAD

We acknowledge the work done by Australia’s leading breeders to breed bulls and develop cow families the equal of the best available anywhere in the world.

Connections with Australian industry bodies has never been of greater importance as we all share in some the future industry challenges. The support of Jersey and Holstein Australia, ARDB, Dairy Australia. NHIA, DataGene, Angus Australia is acknowledged. They are all world class organisations and their good work contributes to the high standing of our industry around the world.

Export sales are recovering despite our inability to trade with China. It is only 12 months since our first export to Pakistan and calves are being born across the country and feedback is very promising. Our partners HRM Dairies will have a herd of animals based on BPI selection milking in the future and they have sourced a number of high-rated BPI heifers, most in calf to GA sexed semen and this will further grow demand for Australian genetics.


DataGene’s Peter Williams with Hass, HRM Genetics

Merchandise is a good litmus test of the strength of the industry and we have recorded strong sales across the board in the past year. We appreciate our continuing connections with merchandise suppliers, Estrotect, DataMars, Vetoquinol, MVE, IMV and FIL (GEA).

I’d like to thank the Board of Directors, the management team and everyone in the TLG and GA teams for their support and contributions over the past year, and to all the loyal supporters of the Co-operative for their ongoing dedication.

We have been together through one of the most exciting periods in the Co-operative’s history and I look forward to more success in the future.

ANTHONY SHELLY

DIRECTORS' REPORT

The Directors of Genetics Australia Co-operative Limited (the Co-operative) present their report together with the audited financial statements of the consolidated entity, being Genetics Australia Co-operative Limited and its controlled entities (the Group), for the financial year ended 30th June, 2022.

DIRECTORS

The names of the directors of the Co-operative in office at any time during, or since the end of, the year are:

Trevor Henry (Chairman)
John Pekin (Deputy Chairman)
Michael Carroll
Lucinda Corrigan (appointed 28 March 2022)
Craig Drake
John Duffield
Timothy Humphris
Rohan Sprunt (resigned 21 February 2022)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the entities within the Group during the financial year were the proving and sale of genetically superior bull semen for Australian and New Zealand conditions and the sale of other related items to Australian and New Zealand Dairy, Meat and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the Group acquired land in Western Victoria. It also disposed of its business in New Zealand. Details are provided in Note 28 to the accounts.

OPERATING RESULTS

The net profit/(loss) of the Group after providing for income tax amounted to $861,210 (2021: $170,451)

Other comprehensive profit/(loss) net of income tax is $19,848 (2021: $2,013,047)

Total comprehensive profit/(loss) for the year is $881,158 (2021: $2,183,498)

A review of the operations of the Group is set out in the Review to Chief Executive Officer's Review.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the results of those operations in future financial years.

ENVIRONMENTAL ISSUES

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth of a state or territory of Australia or in any other jurisdiction in which it operates.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Rule 71 of the constitution of the Co-operative indemnifies officers in accordance with section 198 of the Co-operative National Law Application Act 2013. Further, during the year, the Co-operative paid an insurance policy for the benefit of directors and officers of the Co-operative. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against, and the amount of the premium.

ROUNDING OF AMOUNTS

The group contains companies of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2022 has been received and can be found on page 6 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors:

TREVOR HENRY
CHAIRMAN

JOHN PEKIN
DEPUTY CHAIRMAN

Bacchus Marsh 24th day of October, 2022

MEETINGS OF DIRECTORS

The number of directors' meetings and the number of meetings attended, together with the number of Special Attendances made by each of the directors during the financial year, were:

BOARD MEETINGS

Director	Eligible to Attend	Attended
T Henry	10	10
J Pekin	10	10
M Carroll	10	10
L Corrigan	3	3
C Drake	10	10
J Duffield	10	10
T Humphris	10	9
R Sprunt	4	3

AUDIT & RISK MANAGEMENT MEETINGS

Director	Eligible to Attend	Attended
R Sprunt	6	6
J Duffield	2	2
L Corrigan	1	1
C Drake	7	6
T Humphris	7	6
J Pekin	5	5

The Board also has an Animal Welfare Committee and a Remuneration Committee. They both meet at least twice a year.

AUDITOR'S DECLARATION

SW
Accountants & Advisors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT* 2001 TO THE DIRECTORS OF GENETICS AUSTRALIA CO-OPERATIVE LIMITED

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act* 2001 in relation to the audit, and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

SW

SW Audit (formerly ShineWing Australia)
Chartered Accountants

Tom Mullarkey

Tom Mullarkey
Partner

Registered Company Auditor: 475359
Dated this 24th day of October 2022
Level 10, 530 Collins Street, Melbourne VIC 3000

Liability limited by a scheme approved under Professional Standards Legislation.

Genetics Australia Co-operative Limited and its subsidiaries

FINANCIAL STATEMENTS

for the year ended 30 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Continuing Operations			
Sales Revenue	**4**	16,829,051	13,670,141
Cost of Sales		(6,947,143)	(6,156,876)
Gross Profit		9,881,908	7,513,265
Other income	**4**	74,234	117,310
Employee benefits expense		(3,483,603)	(3,430,723)
Depreciation and amortisation expense	**5(a)**	(688,516)	(519,275)
Finance costs	**5(a)**	(373,432)	(278,018)
Rebates		(157,319)	(21,234)
Other expenses		(4,210,129)	(3,117,344)
Profit before Income Tax	**5**	1,043,143	263,981
Income tax expense	**6**	(257,153)	(93,530)
Net profit for the year from continuing operations		785,990	170,451
Disontinued Operations			
Profit for the year from discontinued operations	**28**	75,220	-
Net profit for year		861,210	170,451
Other Comprehensive Income (net of income tax)			
Items that will not be reclassified to profit or loss			
Revaluation changes for property, plant and equipment (net of tax)		-	1,880,500
Increase to asset revaluation reserve arising from reduction in income tax rates		47,658	148,643
Foreign exchange profit/(loss) arising on consolidation		(27,710)	(16,096)
Other Comprehensive Income for the year, net of income tax		19,948	2,013,047
Total Comprehensive Income for the year		**881,158**	**2,183,498**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Current Assets			
Cash and cash equivalents	9	537,764	518,916
Receivables	10	2,902,577	2,200,890
Inventories	11	3,532,616	3,135,227
Other assets	12	192,947	161,614
		7,165,904	6,016,647
Assets held for sale	13	5,856,418	2,922,023
Total Current Assets		**13,022,322**	**8,938,670**
Non-Current Assets			
Property	14	16,881,451	15,527,926
Plant & equipment, and motor vehicles	14	1,553,871	1,606,182
Livestock	14	570,870	609,743
Right-of-use assets	15	-	6,831,935
Intangibles	16	2,257,264	2,299,384
Total Non-Current Assets		**21,263,456**	**26,875,170**
Total Assets		**34,285,778**	**35,813,840**
Current Liabilities			
Trade and other payables	17	2,544,598	2,428,158
Financial liabilities	18	-	2,562,198
Other financial liabilities	19	2,380	-
Current tax liabilities	20	163,158	-
Provisions	21	621,835	587,715
Total Current Liabilities		**3,331,971**	**5,578,071**
Non-Current Liabilities			
Trade and other payables	17	438,750	488,750
Financial liabilities	18	11,208,056	11,390,502
Other financial liabilities	19	71,356	73,871
Deferred tax liabilities	20	2,487,878	2,452,682
Provisions	21	32,658	29,812
Total Non-Current Liabilities before members' share capital		**14,238,698**	**14,435,617**
Members' interest	25	97,440	97,240
Total Non-Current Liabilities		**14,336,138**	**14,532,857**
Total Liabilities		**17,668,109**	**20,110,928**
Net Assets		**16,617,669**	**15,702,912**
Equity attributable to owners of the parent company			
Reserves	25	8,628,770	10,423,478
Retained earnings		7,988,899	5,279,434
Total Equity		**16,617,669**	**15,702,912**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings $	*General Reserve* $	*Asset Revaluation Reserve* $	*Foreign Currency Translation Reserve* $	*Total* $
Consolidated balance at 1 July 2020	5,108,983	1,307,561	7,115,840	(23,987)	13,508,397
Increase during the year arising from reduction in income tax rates			148,643		148,643
Increase during the year arising from independent revaluation of freehold properties (net of tax)	-	-	1,880,500	-	1,880,500
Exchange differences on translating foreign operations	-	-	-	(5,079)	(5,079)
Profit for the year	170,451	-	-	-	170,451
Consolidated balance at 30 June 2021	5,279,434	1,307,561	9,144,983	(29,066)	15,702,912
Increase during the year arising from reduction in income tax rates		-	60,970	543	61,513
Transfer during the year arising from the disposal of freehold properties	1,848,255	-	(1,848,255)	-	-
Exchange differences on translating foreign operations	-	-	-	(7,966)	(7,966)
Profit for the year	861,210	-	-	-	861,210
Consolidated balance at 30 June 2022	7,988,899	1,307,561	7,357,698	(36,489)	16,617,669

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

Cash Flow from Operating Activities	**Note**	**Consolidated 2022 $**	**Consolidated 2021 $**
Receipts from customers and other income		17,232,399	13,384,359
Payments to suppliers and employees		(16,078,517)	(12,905,115)
Finance costs paid		(374,004)	(172,633)
Net cash provide by/(used in) operating activities		779,878	306,611
Cash Flow from Investing Activities			
Proceeds from sale of property, plant, equipment, motor vehicles and livestock		289,762	475,413
Proceeds from receipt of sale of assets held for sale		2,922,023	-
Payments for property, plant, equipment, motor vehicles and livestock		(7,975,682)	(3,968,218)
Deposit payments on property purchase		-	(85,626)
Payments for intangibles		-	(2,251,600)
Net cash flows provided by/(used in) investing activities		(4,763,897)	(5,830,031)
Cash Flow from Financing Activities			
Proceeds from share issues		300	200
Payment for share cancellation/redemption		(100)	(2,700)
Proceeds/(Payments) in respect of debenture holders		(135)	(170)
Net Proceeds/(Repayment) of borrowings		4,008,056	5,851,302
Lease payments		-	(100,297)
Exchange differences on cash and cash equivalents		(5,254)	(1,208)
Net cash provided by/(used in) financing activities		4,002,867	5,747,127
Net increase/(decrease) in cash held		18,848	223,707
Cash at beginning of financial year		518,916	295,209
Cash and cash equivalents at the end of the financial year	9	537,764	518,916

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 1 General Information

Basis of preparation

The Group financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, the Co-operative National Law Application Act 2013, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements and notes of the Parent Company - Genetics Australia Co-operative Limited (the Co-operative) and Controlled Entities (the Group). For the purposes of preparing the consolidated financial statements the Co-operative is a for-profit entity.

The presentation currency used in these financial statements is Australian dollars ($).

Statement of compliance

The consolidated financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on 24th October, 2022.

Comparatives are consistent with prior years, unless otherwise stated.

The Co-operative does not have 'public accountability' as defined in AASB 1053 *Application of Tiers Australian Accounting Standards* and is therefore eligible to apply 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

Rounding of amounts

The amounts in the directors' report and in the financial statements are rounded to the nearest dollar.

Information about the Co-operative

Genetics Australia Co-operative Limited is a co-operative incorporated under the Co-operatives National Law 2013 (Victoria)

The addresses of its registered office and principal place of business are as follows:

Registered office
4104 Geelong-Bacchus-Marsh Road
Parwan Vic 3340

Principal place of
4104 Geelong-Bacchus-Marsh Road
Parwan Vic 3340

Principal activities

The principal activities of the entities within the Group during the financial year were the proving and sale of genetically superior bull semen for Australian and New Zealand conditions and the sale of other related items to Australian and New Zealand Dairy, Meat and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the group.

Note 2: Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates

Employee Entitlements

The Group assesses the probability that staff become entitled to long service leave. This assessment is done by evaluating current trends and expectations of future events. At the reporting date it is expected that all annual leave will be used or paid out within 12 months.

Key judgements

Provision for inventories

The inventory held is reviewed on a regular basis to determine whether there is any old, damaged or obsolete stock or other stock items which need to be written down to NRV.

At the year end management have estimated that a provision of $434,195 (2021 $353,616) is required to cover any obsolescence of inventory.

Goodwill Impairment

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on 5-year cash projection budgets approved by the Board, using the following key assumptions:

Key Assumption	
Discount Rate	11.50%
Terminal Value	3%
Growth Rates	5% FY23 and FY24 and 3% thereafter

The pre-tax discount rate of 11.5% reflects Management’s estimate of the time value of money and the weighted average cost of capital adjusted for additional risk factors associated with the business.

The terminal value adopted of 3% is a proxy for inflation in Australia being the upper end of the RBA target rate for inflation.

We believe the revenue growth rates are justified based on historical growth rates, current predictions for inflation in the economy and further leveraging of cross selling opportunities between TLGV and Genetics Australia including partnerships and alliances both domestic and international

Note 3: Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Note 4 : Revenue	**Consolidated 2022 $**	**Consolidated 2021 $**
Sales Revenue		
sale of goods	11,269,230	10,815,919
genetic and other services	5,559,821	2,854,222
Total sales revenue	16,829,051	13,670,141
Other income		
Profit/(Loss) on disposal of plant and equipment and livestock	74,234	117,310
Total other income	74,234	117,310

Comparative amount reclassification

The comparative figures in the split of sales revenue between 'sale of goods' and 'genetic and other services' in the summary above have been amended following a re-assessment of the income streams of a business acquired in the prior year. As a result of this re-classification an amount of $1,917,132 has been moved form 'sale of goods' to 'genetic and other services' in 2021. The 'total sales revenue' remains unchanged.

Accounting treatment

Revenue from contracts with customers

Revenue from contracts with customers is recognised based on the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entities within the Group expect to be entitled to.

Revenue is recognised in accordance with the following five-step process:-

1 Identifying the contract with the customer.
2 Identifying the performance obligations in the contract.
3 Determining the transaction price.
4 Allocating the transaction price to the performance obligations in the contract.
5 Recognising revenue as and when the performance obligations are recognised.

Variable consideration in contracts such as performance incentives, penalties and bonuses (including those which are contingent) are estimated using either the expected value method or most likely amount method, as appropriate to the circumstances and recognised as revenue at each reporting periods until the contracts are settled.

If the transaction price includes a significant financing component and the contract is longer than 12 months, it is discounted using a discount rate reflecting the credit quality of the customer after considering any collateral or security made available to the entities within the Group.

Any difference between the stand-alone selling prices of the promised goods or services and the promised consideration on the contract is treated as a discount and allocated proportionately to the performance obligations in the contracts.

Revenue from sales of goods is recognised at a point in time and Revenue from Services is recognised over time, when (or as) the Group Entity satisfies performance obligations by transferring the promised goods or services to its customers”

The Entities within the Group recognise contract liabilities for consideration received for unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly if the Group Entity has completed a performance obligation before it receives the consideration, the Group Entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Note 5 : Profit before Income Tax	**Note**	**Consolidated 2022 $**	**Consolidated 2021 $**
Profit before income tax from continuing operations includes the following specific expenses:			
a. Expenses			
Stock Write-down		341,846	210,804
Finance costs - External		374,004	278,018
Depreciation of non-current assets	**14**	646,396	498,215
Amortisation of Customer relationships	**16**	42,120	21,060

Accounting treatment

Finance Cost

Finance cost includes all interest-related expenses including lease costs relating to the capitalised lease.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency is measured using the currency of the primary economic environment in which the Group operates. The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 6 : Income Tax Expense	Consolidated 2022 $	Consolidated 2021 $
(a) The components of tax expense comprise:		
Current tax	159,952	-
Deferred tax	78,717	73,765
Under/(over) provision for tax in prior year	18,484	19,765
	257,153	93,530
(b) The prima facia tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facia tax expense on profit from ordinary activities before income tax @ 25% (2021 26%)	260,787	68,635
Add		
Tax effect of:		
Non-deductible expenses	2,315	9,601
Non-assessable non-exempt income	-	(13,000)
Loss on disposal of assets not in asset register	-	(45,716)
Future income tax benefit relating to tax losses not recognised as an asset due to uncertainty of recovery:	-	44,246
	2,315	(4,869)
Less:		
Tax effect of:		
-Net effect to deferred tax assets and liabilities on change in taxation rate	43,238	(9,999)
-Under/over provision for deferred tax in the prior year	(37,289)	(19,765)
	5,949	(29,764)
Income tax expense attributable to the Group for the year	257,153	93,530

Accounting treatment

Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Note 7 : Auditors Remuneration

Remuneration of auditor		
-audit for the year ended 30 June	53,000	44,000
-other services	-	-
	53,000	44,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated 2022 $	Consolidated 2021 $

Note 8 : Key Management Personnel Remuneration

Total of Remuneration paid to key management personnel of the Group during the year is as follows:

	Consolidated 2022 $	Consolidated 2021 $
- Directors	174,212	122,154
- Executives	396,016	650,695
	570,228	772,849

Note:-

The names of directors of the Co-operative who have held office during the financial year are set out in the Directors' Report.

Note 9 : Cash and Cash Equivalents

	Consolidated 2022 $	Consolidated 2021 $
Cash at bank and on hand	537,764	518,916

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated 2022 $	Consolidated 2021 $
Cash at bank and on hand	537,764	518,916
Cash and cash equivalents	537,764	518,916

The Group has a fully undrawn bank overdraft facility of $100,000 at 30 June 2022 ($100,000 at 30 June 2021).

Accounting treatment

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

Note 10: Trade and Other Receivables

	Consolidated 2022 $	Consolidated 2021 $
Trade receivables	3,112,402	2,405,299
Provision for impairment of receivables	(209,825)	(204,409)
	2,902,577	2,200,890

Movement in provision for impairment of receivables

	Consolidated 2022 $	Consolidated 2021 $
Opening balance	204,409	204,409
Increase in provision	12,000	-
Bad Debt write-off	(6,584)	-
Closing balance	209,825	204,409

Accounting treatment

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at their transaction price (unless there is a significant financing component) less life-time expected credit losses and subsequently measured at amortised cost using the effective interest method.

Refer to Note 24 for further discussion on the determination of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated 2022 $	Consolidated 2021 $
Note 11: Inventories		
Semen at net realisable value	2,753,645	2,129,781
Biological assets at fair value	391,130	375,676
Merchandise at net realisable value	822,036	983,386
	3,966,811	3,488,843
Provision for Stock Write Offs	(434,195)	(353,616)
	3,532,616	3,135,227

Accounting treatment

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Biological assets are measured on initial recognition and at each subsequent balance sheet date at their fair value less costs to sell.

Note 12 : Other Assets

	Consolidated 2022 $	Consolidated 2021 $
Prepayments	192,947	161,614
	192,947	161,614

Note 13 : Assets held for sale

	Consolidated 2022 $	Consolidated 2021 $
Assets held for sale	5,856,418	2,922,023
	5,856,418	2,922,023

Land and buildings classified as held for sale during the reporting period were subjected to a directors' valuation.

Assets held for sale at the end of the financial year are comprised of farm land and buildings at Parwan Park South which was sold on 16 May 2018 under a five year term contract for the sum of $14,625,000. Deposits of $4,387,500 were received in prior years and, after taking out agent's fees, were taken to income as they were non-refundable. The directors made the decision to continue to hold the property at valuation until settlement.

Note 14 : Property, Plant & Equipment, Motor Vehicles and Livestock

	Consolidated 2022 $	Consolidated 2021 $
Land and Buildings - at fair value	17,206,407	15,665,588
less accumulated depreciation	(324,956)	(137,662)
Total Land and Buildings	16,881,451	15,527,926
Plant, Equipment & Motor Vehicles - at cost	2,524,548	2,631,825
less accumulated depreciation	(970,677)	(1,025,643)
Total Plant, Equipment & Motor Vehicles	1,553,871	1,606,182
Total Property, Plant & Equipment	18,435,322	17,134,108
Livestock- at cost	941,243	949,349
less accumulated depreciation	(370,373)	(339,606)
Total livestock	570,870	609,743
Total Property, Plant & Equipment, Motor Vehicles and Livestock	19,006,192	17,743,851

	Land and Buildings	Plant, Equipment & Motor Vehicles	Livestock	Total
Consolidated balance at 30th June 2021	15,527,926	1,606,182	609,743	17,743,851
Additions at cost	7,456,908	308,164	210,610	7,975,682
Disposal - written-down value	-	(131,985)	(78,542)	(210,527)
Transfer to Assets held for sale	(5,856,418)	-	-	(5,856,418)
Depreciation expense	(246,965)	(228,490)	(170,941)	(646,396)
Consolidated carrying amount at 30th June 2022	16,881,451	1,553,871	570,870	19,006,192

Asset revaluations - Land and Buildings

The Directors reviewed the valuations of land and buildings of the Group at 30 June 2022.

Note 14 : Property, Plant & Equipment, Motor Vehicles and Livestock (continued)

Accounting treatment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount of land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Livestock

Livestock is measured on the cost basis less accumulated depreciation and impairment losses.

Note 14 : Property, Plant & Equipment, Motor Vehicles and Livestock (continued)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rates
Buildings	2.5-20%
Plant & equipment, and motor vehicles	4-27%
Livestock	10-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment of non-financial assets

At the end of each reporting period each Company within the Group determines whether there is an evidence of an impairment indictor 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 asset is estimated.

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

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

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

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

	Consolidated 2022 $	Consolidated 2021 $
Note 15 : Leases (Group as Lessee)		
Right-of-use assets		
Land at fair value	-	6,831,935

The Group had leased land for a period of 2 years and had entered into a contract to acquire the land at the expiry of the lease based on an independent valuation at the time of entering into the lease. The Group's obligations were secured by the lessor's title to the leased asset until final settlement. The Group decided to finalise the purchase of the land during the current financial year and prior to the end of the lease period and the asset is now included under land and buildings (see Note 14)

Amounts recognised in profit and loss		
Interest expense on lease liabilities	22,905	27,529

Accounting treatment

The Group recognises the right-of-use asset and the lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which covers the initial amount of the lease liability and the present value of acquiring the property at the conclusion of the lease. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

Note 16 : Intangibles

Goodwill	664,000	664,000
Trademarks	20,444	20,444
Brand names	583,000	583,000
Customer Relationships	989,820	1,031,940
	2,257,264	2,299,384

Movements in intangibles

	Goodwill	Trademarks	Brand Names	Customer Relationships	Total
Balance at 30th June 2020	-	20,444	-	-	20,444
Additions	664,000	-	583,000	1,053,000	2,300,000
Amount amortised	-	-	-	(21,060)	(21,060)
Balance at 30th June 2021	664,000	20,444	583,000	1,031,940	2,299,384
Additions					-
Amount amortised	-	-	-	(42,120)	(42,120)
Amount written-off					-
Carrying amount at 30th June 2022	664,000	20,444	583,000	989,820	2,257,264

Accounting treatment

Goodwill was acquired on the acquisition of a business and is subject to impairment of asset testing.

Trademarks and Brand Names are capitalised, and subject to the impairment of assets testing.

Customer Relationships are capitalised and are amortised over a 25 year period.

Impairment

Goodwill, Trade Marks and Brand Names have been reviewed for impairment at the end of the financial year and will be reviewed annually on an ongoing basis. As a result of the review no write-down was considered to be necessary.

Restatement of comparatives

The group acquired the business of Total Livestock Genetics Pty Ltd on 6 January 2021. In the 2021 Financial Statements an amount of $2,300,000 was classified as Goodwill pending a review of the intangible assets acquired as part of that purchase. An independent review has taken place during the current financial year in accordance with AASB 138 to reclassify the intangible asset into its appropriate components as detailed above and this has resulted in a change to the 2021 comparative figures and a minor change to the result for that year due to the impact of amortisation of Customer Relationships.

Note 17 : Trade and Other Payables	**Consolidated 2022 $**	**Consolidated 2021 $**
Current		
Trade payables	1,777,155	1,970,285
Sundry payables and accrued expenses	767,443	457,873
	2,544,598	2,428,158
Non-current		
Sundry payables and accrued expenses	438,750	488,750

Accounting treatment

Trade and other payables represent the liability for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within contract terms which are all less than one year.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Note 18 : Financial Liabilities	**Consolidated 2022 $**	**Consolidated 2021 $**
Current		
Bank loan secured	-	2,400,000
Lease liability- Right-of-use asset	-	162,198
	-	2,562,198
Non-current		
Bank loan secured	11,208,056	4,800,000
Lease liability- Right-of-use asset	-	6,590,502
	11,208,056	11,390,502
(a) Total current and non-current secured liabilities:		
Bank loan	11,208,056	7,200,000
	11,208,056	7,200,000
(b) The carrying amounts of non-current assets pledged as security are:		
First mortgage		
'- Freehold land and buildings	16,881,451	12,619,527
	16,881,451	12,619,527

The terms of the non-current bank loans expire on 29 December 2023. The group has met its bank covenants during the reporting period and up to date of signing of the financial statements.

Accounting treatment

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit and loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 19 : Other Financial Liabilities	Consolidated 2022 $	Consolidated 2021 $
Current		
Debentures repayable within 12 months	2,380	-
Non-current		
Debentures repayable after 12 months	71,356	73,871
	73,736	73,871
Note 20 : Tax		
a) Assets (Liabilities)		
Deferred tax assets comprise:		
Provisions	283,826	290,045
Other	256,946	95,004
Income tax losses	987,868	1,706,890
	1,528,640	2,091,939
Deferred tax liabilities comprise:		
Tax allowances relating to		
Property, plant and equipment, motor vehicles and livestock	(2,484,046)	(4,070,087)
Assets held for resale	(1,532,472)	(453,933)
Leases	-	(20,601)
	(4,016,518)	(4,544,621)
Net deferred tax liabilities	(2,487,878)	(2,452,682)
Current tax liabilities comprise:		
Provision for current tax payable	(163,158)	-
b) Reconciliations		
Gross Movements		
The overall movements in deferred tax account is as follows:		
Consolidated opening balance	(2,452,682)	(1,786,665)
Benefit from reduction in income tax rates to asset revaluation reserve	60,970	148,643
Charged to the income statement	(93,998)	(93,530)
Foreign exchange conversion difference	(2,168)	(1,630)
Transferred to asset revaluation reserve	-	(719,500)
	(2,487,878)	(2,452,682)

Accounting treatment

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

	Consolidated 2022 $	Consolidated 2021 $
Note 21 : Provisions		
Current		
Annual Leave	258,681	235,506
Long Service Leave	363,154	352,209
	621,835	587,715
Non Current		
Long Service Leave	32,658	29,812
	32,658	29,812
Aggregate employee entitlements liability	654,493	617,527
Employee Benefits		
Consolidated opening balance at beginning of year	617,527	493,806
Amounts used	(246,366)	(273,458)
Acquired through purchase of a business	-	186,068
Additional provisions raised during the year	283,332	211,111
Consolidated balance at end of year	654,493	617,527

Provision for Employee Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

Accounting treatment

Provision

Provisions are recognised when the Group 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 22 : Reserves

General Reserve
The general reserve records funds set aside for future expansion of the Group.

Asset Revaluation Reserve
The asset revaluation reserve records revaluations of Property.

Foreign Currency Translation Reserve
The foreign currency translation reserve records gains and losses arising from translating to Australian dollars the financial statements of foreign operations.

	Consolidated 2022 $	Consolidated 2021 $
Note 23 : Capital commitments		
Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Website development	17,500	-
	17,500	-

Note 24 : Financial Risk Management

a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, bank loans and debentures.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets:			
Cash and cash equivalents	**9**	537,764	518,916
Trade and other receivables	**10**	2,902,577	2,200,890
Total Financial Assets		3,440,341	2,719,806
Financial Liabilities:			
Financial liabilities at amortised cost:			
- Trade and other payables	**17**	2,983,348	2,916,908
- Bank loans - secured	**18**	11,208,056	7,200,000
- Debentures	**19**	73,736	73,871
Total Financial Liabilities and Debentures		14,265,140	10,190,779

Accounting treatment

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective* interest method.

The *effective* interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense in profit or loss.

Note 24 : Financial Risk Management (continued)

(i) *Financial assets at fair value through profit or loss*

Financial assets are subsequently measured at:
- amortised cost
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at a fair value through profit and loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(iv) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

Impairment of financial assets is recognised in the form of a loss allowance for expected credit loss. The loss allowance is measured as a life-time expected credit loss if, at the reporting date, the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance is measured as 12-month expected credit loss if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition.

The Group determines whether there has been a significant increase in credit risk since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition using reasonable and supportable information, unless the financial instrument is determined to have low credit risk at the reporting date.

Changes in expected credit losses from the previous reporting period are recognised in profit or loss as an impairment gain or loss.

Expected credit losses are measured with reference to the maximum contractual period and considering:

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b. the time value of money; and

c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade receivables (other than government subsidies) are written off if there is objective evidence regarding bankruptcy or insolvency of the debtor and no guarantees are otherwise available from any third party on behalf of the debtor. This is the approach even if enforcement activities have already been initiated. Government subsidies are written off if there is evidence regarding changes in Government policies or non-compliance with the conditions related to the grant that the entity is no longer eligible to the subsidies.

Note 24 : Financial Risk Management (continued)

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

	Consolidated 2022 $	Consolidated 2021 $
Note 25 : Members Interest and Equity		
a) Share Capital:		
The details of share capital are as follows:		
Opening balance - 48,620 fully paid shares	97,240	99,740
Shares issued during the year	300	200
Shares cancelled/redeemed/forfeited during the year	(100)	(2,700)
Closing balance - 48,720 fully paid shares	97,440	97,240
	2022	**2021**
Number of Members	928	926

Accounting treatment

Members share capital is treated as a liability of the Group. Classification in this manner occurs because the Genetics Australia Co-operative Limited must forfeit and ultimately repay share capital that is forfeited under the inactive membership rules contained in the *Co-operative National Law Application Act 2013* and the Rules of the Co-operative.

b) Components of Equity

The details of reserves are as follows:

	Foreign currency translation reserve $	Asset revaluation reserve $	General Reserve $	Total $
Consolidated balance at 1 July 2020	(23,987)	7,115,840	1,307,561	8,399,414
Other comprehensive income for the year (all attributable to the parent):				
Increase during the year arising from a change in income tax rates	-	148,643	-	148,643
Increase during the year arising from independent revaluation of freehold properties				
Before tax	-	2,600,000	-	2,600,000
Tax benefit/(expense)	-	(719,500)	-	(719,500)
Net of tax	-	1,880,500	-	1,880,500
Exchange differences on translating foreign operations				
Before tax	14,889	-	-	14,889
Tax benefit/(expense)	(3,871)	-	-	(3,871)
Net of tax	11,018	-	-	11,018
Exchange difference on loan to foreign operation	(16,097)	-	-	(16,097)
Consolidated balance at 30 June 2021	(29,066)	9,144,983	1,307,561	10,423,478
Other comprehensive income for the year (all attributable to the parent):				
Increase during the year arising from a change in income tax rates	543	60,970	-	61,513
Transfer to retained earnings arising on disposal of property	-	(1,848,255)	-	(1,848,255)
Exchange differences on translating foreign operations				-
Before tax	26,325	-	-	26,325
Tax benefit/(expense)	(6,581)	-	-	(6,581)
Net of tax	19,744	-	-	19,744
Exchange difference on loan to foreign operation	(27,710)	-	-	(27,710)
Consolidated balance at 30 June 2022	(36,489)	7,357,698	1,307,561	8,628,770

Note 26 : Contingent Liabilities and Contingent Assets

The directors are not aware of the existence of any contingent liabilities or contingent assets that exist as at the reporting date.

Note 27 : Related Party Transactions

Related parties include the parent company, Genetics Australia Co-operative Limited, it's wholly owned subsidiaries, Genetics Investments Limited, Total Livestock Genetics Victoria Pty Ltd and Genetics Australia New Zealand Limited, directors and senior management of the Group. Details relating to the companies are set out in Notes 29 and 30 and remuneration of directors and executives is disclosed in Note 8.

There were no transactions with related parties at more favourable terms or conditions than those available to other parties.

Note 28 : Purchase and Sale of assets

During the financial year the Group sold its property at Parwan Park, Bacchus Marsh which was surplus to requirements and had been disclosed as Assets Held for Sale in the 2021 Balance Sheet. The price that was received for the sale was approximately the same as the book value of the property.

Stockdale and Leggo handled the sale of the property on behalf of the Group and one of their agents is the brother of the CEO of the parent company of the Group. In recognition of the relationship between the parties, the directors of the parent company ensured that the CEO had no involvement in the sale process or any discussions pertaining to it until after the contract was signed.

The contract to purchase land at Glenormiston was a two year terms contract and was being leased by the Group until settlement. In accordance with Accounting Standard AASB16 *Leases,* the land was classified as a right-of-use asset with a value that included the current value of both future lease payments and the contracted purchase price of the property. The resultant lease liability is reduced by payments made and increased by interest. During the year the group took advantage of an opportunity to complete the purchase of the property before the expiry of the lease term at the contracted price.

On 24th January 2022, the Group decided to wind-up Genetics Australia New Zealand Limited. The gain from discontinued operation presented in the statement of profit and loss and other comprehensive income relates to (1) Profit after tax from discontinued operation $46,419 and (2) Gain on sale of assets $28,801.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 29 : Composition of the Group

Set out below are the details of the subsidiaries held directly by the Group:

Name of subsidiary	Country of incorporation and principle place of business	Principle activity	Proportion of ownership interests held by the group	
			2022	**2021**
Genetic Investments Ltd.	Australia	Investments	100%	100%
Genetics Australia New Zealand Limited	New Zealand	Sale of genetically superior bull semen to the NZ Dairy Industry up to the date of disposal of its business.	100%	100%
Total Livestock Genetics Victoria Pty Ltd	Australia	Production and sale of genetically superior bull semen.	100%	100%

Note 30 : Parent Entity information

Information relating to Genetics Australia Co-operative Limited (the Parent Entity):

	2022 **$**	**2021** **$**
Statement of Financial Position		
Current assets	17,860,317	14,088,089
Total assets	25,877,821	28,089,655
Current Liabilities	1,483,837	4,077,471
Total Liabilities	9,032,953	12,022,932
Net assets	16,844,868	16,066,723
Retained earnings	8,179,610	5,614,179
General reserve	1,307,561	1,307,561
Asset revaluation reserve	7,357,697	9,144,983
Total equity	16,844,868	16,066,723
Statement of profit or loss and other comprehensive income		
Profit for the year	717,175	445,493
Other comprehensive income	47,658	2,029,143
Total comprehensive income	764,833	2,474,636

Note 31 : Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the results of those operations in future financial years.

DIRECTOR'S DECLARATION

The Directors of the Co-operative declare that:

1. The financial statements and notes set out on pages 8 to 28 are in accordance with the *Co-operative National Law Application Act 2013* and the *Corporations Act 2001* and:
   (a) comply with Accounting Standards - Reduced Disclosure Requirements; and
   (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date.

2. In the Directors opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors.

TREVOR HENRY **CHAIRMAN**	**JOHN PEKIN** **DEPUTY CHAIRMAN**

Dated this 24th day of October 2022

Accountants & Advisors

Take the lead

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENETICS AUSTRALIA CO-OPERATIVE LIMITED

Opinion

We have audited the financial report of Genetics Australia Co-operative Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Co-operative National Law Application Act* 2013 and the Corporations *Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended, and

b. complying with Australian Accounting Standards – Simplified Disclosure Requirements and *the Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements, the *Co-operative National Law Application 2013* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Take the lead

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SW Audit (formerly ShineWing Australia)
Chartered Accountants

Tom Mullarkey
Partner

Melbourne, 24 October 2022

NOTES

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Breeding better Australian herds

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