Genetics AUSTRALIA CO-OPERATIVE

Genetics Australia Co-operative Limited

2023-2024 ANNUAL REPORT

www.genaust.com.au

DIRECTORS

John Pekin

(Chairman 1 July 2023 to date)
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 which is ranked in the top 20 Holstein herds in the country. He was elected Deputy Chairman of the board in 2021.

Trevor Henry

Maffra, Vic.

Trevor joined the Board in May 2010 and became Chairman in 2016. Formerly a director of the Macalister Demonstration Farm Board for 10 years, serving the last four 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 Tracy & children run Wilara Holsteins, a year-round, split-calving, 500-head Holstein milking herd and is ranked in the top 10 Holstein BPI herds in the country.

Craig Drake

(Deputy Chairman 1 July 2023 to November 2023)
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.

Jonny O'Brien

Kolora, Victoria

Jonny joined the board 19 July 2024.
Jonny is an experienced finance professional with diverse experience across Private Equity, M&A and business strategy. Today, Jonny owns and manages South Island, a farm management and development business, and consults widely across Australian agriculture. Jonny lives in Kolora and helps oversee a family dairy enterprise south of Simpson. Jonny also sits on the Genetics Australia Holdings Board.

Tim Humphris

(Deputy Chairman From November 2023 to date)
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 & WelfareCommittee.

John Duffield

(Audit and Risk Chairman from July 1 2023 to July 1 2024) Koroit, Vic
Dip Bus (Acct), MBA, FCPA and GAICD.
(John resigned from the board on July 1 2024)

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) and 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, is a Non Executive Director of Animal Health Australia and Chair of the Animal Breeding and Genetics Unit at UNE.

CHAIRMAN'S REVIEW

It is my honour to present the GAC Chairmans report for the 2023-24 financial year.

On July 1, 2023, GAH, (Genetics Australia Holdings) commenced operations as a joint venture between GAC and URUS and continued to operate under the Genetics Australia brand.

The GAC board and management had conducted a thorough and diligent process to move operations from Bacchus Marsh to Total Livestock Genetics in Camperdown and Glenormiston. This was the catalyst in helping us find a global partner. The result was this joint venture with URUS, the global leader in bovine genetics.

This transition was an enormous task, and I must commend CEO Anthony Shelly, his management team and all the Genetics Australia and TLG staff for embracing the huge workload, with a positive attitude towards moving into the joint venture.

This heavy workload extended to the GAC board representatives on the GAH board, Trevor Henry and John Duffield. I commend Trevor as Chairman, who with John's support, established the new board with Huub te Plate, CEO of GENEX, Sander Flanderijn, CFO of GENEX and Greg Topoleski, CFO of Urus. Once again, a huge task establishing initial budgets and strategic frameworks for business growth and market penetration.

It was a busy first 6 months, but by the end of the financial year the company had settled into a strong operational position.

To my fellow board members, thank you for your contributions. The 2023 calendar year will be remembered for the completion of the joint venture deal and the transition to that new business. Thank you Tim Humphris, as deputy chairman, also Lucinda Corrigan and Craig Drake, as well as our two GAH board representatives Trevor Henry and John Duffield.

A special thanks to John Duffield who retired on June 30 from the independent position on the board. He was instrumental in negotiating the joint venture deal.

From July 1, we welcomed Jonny O'Brien to the independent director's role and onto the GAH board. We know from past experience that he will be a great asset to the board.

I would also like to acknowledge the contribution of former GAC company secretary and now GAC manager, Tony Phillips. He has done an outstanding job assisting the board through this transition and his wisdom and expertise makes the board's job much easier.

I can assure the shareholders after an extended busy period for the GAC board we are not resting. As a joint venture partner in Genetics Australia, we are fully invested, both strategically and financially, in making Genetics Australia the global leader of grazing genetics that we know it can be.

We will continue to protect the large asset base we have, as well as looking to invest in strategic initiatives. Such initiatives will not only enhance Genetics Australia, but enable it to bring the latest technology and elite genetic material to our beef and dairy clients.

This is the founding principle of Genetics Australia; to provide the best genetics to Australian farmers, from a domestic breeding and production centre in Australia. We can now take this to the world.

In closing, I'd like to thank all shareholders for your wonderful support and offer my congratulations to everyone involved for your outstanding efforts in establishing Genetics Australia as a major player in world bovine genetics.

JOHN PEKIN
CHAIRMAN

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, 2024.

DIRECTORS

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

John Pekin (Chairman)
Timothy Humphris (Deputy Chairman)
Craig Drake
Lucinda Corrigan
John Duffield (resigned 1 July 2024)
Trevor Henry
Jonathan O'Brien (appointed 19 July 2024)

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 renting of land and buildings and overseeing its equity investment in a joint venture company involved in the proving and sale of genetically superior bull semen for Australian conditions and the sale of other related items to Australian, Meat and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the joint venture company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the Group disposed of its main operations on 1 July 2023 to a joint venture company to be owned 60% by Urus Europe BV and 40% by Genetics Australia Co-operative Ltd. The Group retained all of its property holdings which are rented out either to the joint venture company or to a third party at commercial rates.

OPERATING RESULTS

The net profit of the Group after providing for income tax amounted to $521,461 (2023: $2,946,533)

Other comprehensive profit/(loss) net of income tax is $Nil
(2023: $2,566.109)

Total comprehensive profit for the year is $521,461
(2023: $5,512,642)

A review of the operations of the Group is set out in the Chairman's Report.

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 2024 has been received and can be found on page 3 of the financial report.

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

JOHN PEKIN
CHAIRMAN

TIM HUMPHRIS
DEPUTY CHAIRMAN

Bacchus Marsh 1st day of November, 2024

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
J Pekin	10	10
T Humphris	10	10
L Corrigan	10	10
C Drake	10	9
J Duffield	10	10
T Henry	10	9

AUDIT & RISK MANAGEMENT MEETINGS

Director	Eligible to Attend	Attended
J Duffield	2	2
L Corrigan	2	2
C Drake	2	2
T Humphris	2	2

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 2024 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
Chartered Accountants

Tom Mullarkey

Tom Mullarkey
Partner

Registered Company Auditor: 475359
Dated this 1st day of November 2024
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 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Continuing Operations			
Sales Revenue	4	747,025	20,158,443
Cost of Sales		41,869	(9,378,948)
Gross Profit		788,894	10,779,495
Other income	4	17,190	4,493,470
Employee benefits expense		(26,124)	(3,755,307)
Depreciation and amortisation expense	5(a)	(159,855)	(842,488)
Finance costs	5(a)	(54,261)	(693,412)
Rebates		9,066	(120,000)
Goodwill written -off		-	(664,001)
Other expenses		(314,199)	(4,909,115)
Loss on sale of investment		(212,600)	-
Equity share of profit of associated company	14	12,090	-
Profit before Income Tax	5	60,201	4,288,642
Income tax refund/(expense)	6	461,260	(1,342,109)
Net profit/(loss) for the year		521,461	2,946,533
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)		-	2,566,092
Foreign exchange profit/(loss) arising on consolidation		-	17
Other Comprehensive Income for the year, net of income tax		-	2,566,109
Total Comprehensive Income/(Loss) for the year		521,461	5,512,642

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Current Assets			
Cash and cash equivalents	9	1,071,882	1,182,005
Receivables	10	25,439	3,221,454
Inventories	11	-	3,590,933
Other assets	12	740,284	24,211
Total Current Assets		**1,837,605**	**8,018,603**
Non-Current Assets			
Property	13	19,996,108	20,144,683
Plant & equipment, and motor vehicles	13	12,407	1,496,885
Livestock	13	-	459,435
Investments	14	4,142,490	-
Intangibles	15	603,443	1,551,143
Total Non-Current Assets		**24,754,448**	**23,652,146**
Total Assets		**26,592,053**	**31,670,749**
Current Liabilities			
Trade and other payables	16	114,023	3,995,922
Financial liabilities	17	-	-
Other financial liabilities	18	47,782	54,356
Current tax liabilities	19	2,107,015	3,126,760
Provisions	20	-	633,405
Total Current Liabilities		**2,268,820**	**7,810,443**
Non-Current Liabilities			
Other financial liabilities	18	-	16,930
Deferred tax liabilities	19	1,572,951	1,568,019
Provisions	20	-	46,806
Total Non-Current Liabilities before members' share capital		**1,572,951**	**1,631,755**
Members' interest	24	98,510	98,240
Total Non-Current Liabilities		**1,671,461**	**1,729,995**
Total Liabilities		**3,940,281**	**9,540,438**
Net Assets		**22,651,772**	**22,130,311**
Equity attributable to owners of the parent company			
Reserves	24	8,441,936	8,441,936
Retained earnings		14,209,836	13,688,375
Total Equity		**22,651,772**	**22,130,311**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Retained Earnings $	General Reserve $	Asset Revaluation Reserve $	Foreign Currency Translation Reserve $	Total $
Consolidated balance at 1 July 2022	7,988,899	1,307,561	7,357,698	(36,489)	16,617,669
Increase during the year arising from reduction in income tax rates			2,566,092	-	2,566,092
Transfer during the year arising from the disposal of freehold properties	2,789,415	-	(2,789,415)	-	-
Exchange differences on translating foreign operations	-	-	-	17	17
Transfer on liquidation of overseas subsidiary	(36,472)	-	-	36,472	-
Profit for the year	2,946,533	-	-	-	2,946,533
Consolidated balance at 30 June 2023	13,688,375	1,307,561	7,134,375	-	22,130,311
Profit for the year	521,461	-	-	-	521,461
Consolidated balance at 30 June 2024	14,209,836	1,307,561	7,134,375	-	22,651,772

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash Flow from Operating Activities			
Receipts from customers and other income		635,938	19,839,565
Payments to suppliers and employees		(1,665,114)	(17,014,659)
Finance costs paid		(54,261)	(693,412)
Income tax paid		(723,605)	(163,158)
Net cash provide by/(used in) operating activities		(1,807,042)	1,968,336
Cash Flow from Investing Activities			
Proceeds from sale of property, plant, equipment, motor vehicles and livestock		47,304	480,190
Proceeds from receipt of sale of assets held for sale		-	10,041,123
Proceeds from sale of investments		2,200,000	-
Payments for property, plant, equipment, motor vehicles and livestock		(16,993)	(635,718)
Payments for transfer of employee provisions		(510,158)	-
Net cash flows provided by/(used in) investing activities		1,720,153	9,885,595
Cash Flow from Financing Activities			
Net proceeds from share issues		270	800
Proceeds/(Payments) in respect of debenture holders		(23,504)	(2,450)
Net Proceeds/(Repayment) of borrowings		-	(11,208,056)
Exchange differences on cash and cash equivalents		-	16
Net cash provided by/(used in) financing activities		(23,234)	(11,209,690)
Net increase/(decrease) in cash held		(110,123)	644,241
Cash at beginning of financial year		1,182,005	537,764
Cash and cash equivalents at the end of the financial year	9	1,071,882	1,182,005

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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). The equity share of the group's investment in its associated company Genetics Australia Holdings Pty Ltd is also included. 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 2024 were approved and authorised for issue by the Board of Directors on 1st November, 2024.

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

Principal activities

The principal activities of the entities within the Group during the financial year were the maintenance and leasing out of land and improvements and the investment in and oversight of an associated company involved in the proving and sale of genetically superior bull semen for Australian conditions and the sale of other related items to Australian Dairy, Meat and Livestock Farmers. The sale of bull semen to the global market is also considered a key activity of the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Major event occurring within the financial year

On 1 July 2023 the day-to-day operations of the group were consolidated into a wholly owned subsidiary within the group being Genetics Australia Holdings Pty Ltd (GAH). The assets that were transferred into GAH from other group companies, at their book values at 30 June 2023, were the plant, machinery, computer equipment, software, furniture, fittings, motor vehicles, livestock, inventories and the intangible asset of customer relations. All of the group's employees also transferred to GAH on their existing terms and conditions along with their employee entitlements which were funded by cash transfers covering 75% of existing employee provisions.

As a result of these transfers the parent company of the group being Genetics Australia Co-operative Limited (GAC) received 6.543,000 shares of $1 each in GAH being the full value of net assets transferred. With the approval by postal ballot of the GAC shareholders, GAC then sold 60% of those shares being 3,925,800 shares of $1 each to Urus Europe BV (Urus), an international company involved in bovine genetics and herd improvement, for the sum of $2.2 million plus future benefits to be provided by Urus in terms of increased revenue and reduced production costs.

All land, buildings, trademarks and brands have been retained by the group along with the receivables and payables that existed at 30 June 2023. Rental agreements for land. buildings, trademarks and brands have been entered into at commercial rates and these will provide immediate income for the group which, in due course, is expected to be enhanced by dividends from GAH to provide long term benefits for GAC's shareholders.

The group has a working capital deficit at year end but has approved banking facilities in place to cover any shortfall in the payment of current liabilities as they fall due.

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 has agreed to fund any personal leave excluding annual and long service leave for staff who have transferred to Genetics Australia Holdings Pty Ltd for a period of 3 years from 1 July 2023. The leave involved is of the type that is not normally accrued for in the annual financial statements and the amount involved is not expected to be of a material nature. As a result no provision has been included in these accounts.

Key judgements

Valuation of properties

The group has a policy of independently valuing its properties every three years. The last independent valuation of properties, excluding those owned for less that three years, was undertaken in June 2023. The directors have reviewed the values of the group's properties and have considered past valuations, purchase prices and their knowledge of current market movements in determining that the current carrying value of properties continues to be appropriate.

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 2024, 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 2024 $	Consolidated 2023 $
Sales Revenue		
sale of goods	(4,920)	12,969,910
genetic and other services	157,790	7,066,455
rent and trade mark licence fee income	594,155	122,078
Total sales revenue	747,025	20,158,443
Other income		
Profit on disposal of assets held for sale, plant and equipment and livestock	785	4,493,470
Interest received	16,405	-
Total other income	17,190	4,493,470

Accounting treatment

Revenue from contracts with customers

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

Revenue from rent and trade mark licence fee is recognised over time by the Group Entity in accordance with the contracts entered into.

Note 5 : Profit before Income Tax **Note**

Profit before income tax from continuing operations includes the following specific expenses:

a. Expenses

	Note	2024	2023
Stock Write-down		-	188,331
Finance costs		54,261	693,412
Depreciation of non-current assets	13	159,855	800,368
Amortisation of customer relationships	15	-	42,120

Note 6 : Income Tax Expense	Consolidated 2024 $	Consolidated 2023 $
(a) The components of tax expense comprise:		
Current tax	-	89,579
Deferred tax	(154,325)	978,097
Under/(over) provision for tax in prior year	(306,935)	274,433
	(461,260)	1,342,109
(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% (2023 25%)	12,028	1,072,161
Add		
Tax effect of:		
Non-deductible expenses	4,084	4,486
Under provision for deferred tax in the prior year	3,642	265,462
	7,726	269,948
Less:		
Tax effect of:		
Over provision for current tax in the prior year	310,577	-
Capital losses created	170,437	-
	481,014	-
Income tax expense attributable to the Group for the year	(461,260)	1,342,109

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Note 7 : Auditors Remuneration	**Consolidated 2024 $**	**Consolidated 2023 $**
Remuneration of auditor		
-Audit for the year ended 30 June	35,000	60,000
-Other services	-	-
	35,000	60,000

Note 8 : Key Management Personnel Remuneration

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

- Directors	167,088	146,770
- Executives	-	541,903
	167,088	688,673

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

Cash at bank and on hand	1,071,882	1,182,005

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:

Cash at bank and on hand	1,071,882	1,182,005
Cash and cash equivalents	1,071,882	1,182,005

The Group has a fully undrawn bank overdraft facility of $100,000 at 30 June 2024 ($100,000 at 30 June 2023).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Note 10: Trade and Other Receivables	Consolidated 2024 $	Consolidated 2023 $
Trade receivables	42,348	3,449,279
Provision for impairment of receivables	(16,909)	(227,825)
	25,439	3,221,454
Movement in provision for impairment of receivables		
Opening balance	227,825	209,825
Increase in provision	944	18,000
Bad Debt write-off	(211,860)	-
Closing balance	16,909	227,825

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 23 for further discussion on the determination of impairment losses.

Note 11: Inventories		
Semen at net realisable value	-	2,329,537
Biological assets at fair value	-	368,687
Merchandise at net realisable value	-	892,709
	-	3,590,933
Provision for Stock Write Offs	-	-
	-	3,590,933

Refer to Note 1 for reasons behind major variations from previous year.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Note 12 : Other Assets	Consolidated 2024 $	Consolidated 2023 $
Loan to associated company	700,000	-
Prepayments	40,284	24,211
	740,284	24,211

Accounting treatment

Loans to associated company are provide for short term working capital and are made in accordance with the shareholder's agreement and in proportion to the percentage of ownership. The interest rate on the loans is the official cash rate plus 2.5%.

Note 13 : Property, Plant & Equipment, Motor Vehicles and Livestock

Land and Buildings - at fair value	20,873,863	20,870,016
less accumulated depreciation	(877,755)	(725,333)
Total Land and Buildings	19,996,108	20,144,683
Plant, Equipment & Motor Vehicles - at cost	74,874	2,444,449
less accumulated depreciation	(62,468)	(947,564)
Total Plant, Equipment & Motor Vehicles	12,407	1,496,885
Total Property, Plant & Equipment	20,008,515	21,641,568
Livestock- at cost	-	818,054
less accumulated depreciation	-	(358,619)
Total livestock	-	459,435
Total Property, Plant & Equipment, Motor Vehicles and Livestock	20,008,515	22,101,003

Note 13 : Property, Plant & Equipment, Motor Vehicles and Livestock (continued)

	Land and Buildings	Plant, Equipment & Motor Vehicles	Livestock	Total
Consolidated balance at 30th June 2023	20,144,683	1,496,885	459,435	22,101,003
Additions at cost	3,846	13,147	-	16,993
Disposal - written-down value		(1,490,191)	(459,435)	(1,949,626)
Depreciation expense	(152,421)	(7,434)	-	(159,855)
Consolidated carrying amount at 30th June 2024	19,996,108	12,407	-	20,008,515

Asset revaluations - Land and Buildings
The Directors revalued land and buildings of the Group at 30 June 2024.

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.

Note 13 : Property, Plant & Equipment, Motor Vehicles and Livestock (continued)

Livestock

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

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 (e.g. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Note 14 : Investment	**Consolidated 2024 $**	**Consolidated 2023 $**
Investment in Associated Company at fair value	4,142,490	-

Information relating to the creation of the Associated Company is set out in Note 1 to the financial statements. The investment has been valued by the directors based on an independent valuation that has been carried out by Findex Corporate Finance (Aust) Ltd dated March 2024.

Equity share of profits from Associated Company:		
Equity share based on results for the year after income tax	210,090	-
Less: Equity share after income tax of one off adjustment to inventory values to bring basis of valuation into line with that of the parent company.	(198,000)	-
	12,090	-

The Associated Company has changed its financial year to 31 December and will not be subject to final audit until 31 December 2024. As a result the figures included above are based on unaudited results

Note 15 : Intangibles		
Trademarks	20,443	20,443
Brand names	583,000	583,000
Customer Relationships	-	947,700
	603,443	1,551,143

Movements in intangibles

	Goodwill	Trademarks	Brand Names	Customer Relationships	Total
Balance at 30th June 2022	664,000	20,444	583,000	989,820	2,257,264
Amount amortised	-	-	-	(42,120)	(42,120)
Amount written-off	(664,000)	(1)	-	-	(664,001)
Balance at 30th June 2023	-	20,443	583,000	947,700	1,551,143
Amount sold to associated company	-	-	-	(947,700)	(947,700)
Carrying amount at 30th June 2024	-	20,443	583,000	-	603,443

Accounting treatment

Goodwill was acquired on the acquisition of a business and was written off during the prior year pending the sale of the business operations to Genetics Australia Holdings Pty Ltd.

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

Customer Relationships were capitalised and were amortised over a 25 year period until they were sold at their written down book value to Genetics Australia Holdings Pty Ltd.

Impairment

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.

Note 16 : Trade and Other Payables	Consolidated 2024 $	Consolidated 2023 $
Current		
Trade payables	67,245	1,603,467
Sundry payables and accrued expenses	46,778	2,392,455
	114,023	3,995,922

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 17 : Financial Liabilities

Current		
Bank loan secured	-	-
Lease liability- Right-of-use asset	-	-
	-	-
Non-current		
Bank loan secured	-	-
Lease liability- Right-of-use asset	-	-
	-	-
(a) Total current and non-current secured liabilities:		
Bank loan	-	-
	-	-
(b) The carrying amounts of non-current assets pledged as security are:		
First mortgage		
'- Freehold land and buildings	-	20,144,683
	-	20,144,683

The group has no bank loans at the end of the financial year however a loan will be required to pay capital gains tax liabilities.

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 2024

Note 18 : Other Financial Liabilities	Consolidated 2024 $	Consolidated 2023 $
Current		
Debentures repayable within 12 months	47,782	54,356
Non-current		
Debentures repayable after 12 months	-	16,930
	47,782	71,286

Note 19 : Tax

a) Assets (Liabilities)		
Deferred tax assets comprise:		
Provisions	4,227	248,211
Other	34,542	365,879
Income tax losses	369,873	-
Capital losses	831,408	203,549
	1,240,050	817,639
Deferred tax liabilities comprise:		
Tax allowances relating to		
Property, plant and equipment, motor vehicles and livestock	(2,434,695)	(2,387,368)
Investments	(378,300)	-
Other	(6)	1,710
	(2,813,001)	(2,385,658)
Net deferred tax liabilities	(1,572,951)	(1,568,019)
Current tax liabilities comprise:		
Provision for current tax payable	(2,107,015)	(3,126,760)
b) Reconciliations		
Gross Movements		
The overall movements in deferred tax account is as follows:		
Consolidated opening balance	(1,568,019)	(2,487,878)
Charged to the income statement	(4,932)	(978,097)
Transfer to current tax liabilities	-	2,762,749
Transferred to asset revaluation reserve	-	(864,793)
	(1,572,951)	(1,568,019)

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.

Note 20 : Provisions	**Consolidated 2024 $**	**Consolidated 2023 $**
Current		
Annual Leave	-	256,753
Long Service Leave	-	376,652
	-	633,405
Non Current		
Long Service Leave	-	46,806
	-	46,806
Aggregate employee entitlements liability	-	680,211
Employee Benefits		
Consolidated opening balance at beginning of year	680,211	654,493
Amounts used	-	(283,312)
Amounts transferred to associated company	(680,211)	-
Additional provisions raised during the year	-	309,030
Consolidated balance at end of year	-	680,211

Provision for Employee Benefits

A provision was recognised in the previous financial year 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. During the current financial year all employees were transferred to Genetics Australia Holdings Pty Ltd which became an associated company.

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 2024

Note 21 : 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.

Note 22 : Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not recognised as a liability (2023 Nil).

Note 23 : 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:	**Note**	**Consolidated 2024 $**	**Consolidated 2023 $**
Cash and cash equivalents	9	1,071,882	1,182,005
Trade and other receivables	10	25,439	3,221,454
Loan to associated company	12	700,000	-
Total Financial Assets		1,797,321	4,403,459
Financial Liabilities:			
Financial liabilities at amortised cost:			
- Trade and other payables	16	114,023	3,995,922
- Debentures	18	47,782	71,286
Total Financial Liabilities and Debentures		161,805	4,067,208

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.

Note 23 : Financial Risk Management (continued)

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.

(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 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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) 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.

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.

Note 24 : Members Interest and Equity	**Consolidated 2024 $**	**Consolidated 2023 $**
a) Share Capital:		
The details of share capital are as follows:		
Opening balance - 49,120 fully paid shares	98,240	97,440
Shares issued during the year	1,070	800
Shares cancelled/redeemed/forfeited during the year	(800)	-
Closing balance - 49,255 fully paid shares	98,510	98,240
	2024	**2023**
Number of Members	938	936

Note 24 : Members Interest and Equity (continued)

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 30 June 2022	(36,489)	7,357,698	1,307,561	8,628,770
Other comprehensive income for the year (all attributable to the parent):				-
Increase during the year arising from independent revaluation of freehold properties				-
Before tax		3,430,886		3,430,886
Tax benefit/(expense)		(864,794)		(864,794)
Net of tax		2,566,092		2,566,092
Transfer to retained earnings arising on disposal of property		(2,789,415)		(2,789,415)
Exchange difference on loan to foreign operation	16			16
Transfer to retained earnings on liquidation of foreign operation.	36,473	-	-	36,473
Consolidated balance at 30 June 2023	-	7,134,375	1,307,561	8,441,936
Other comprehensive income for the year (all attributable to the parent):	-	-	-	-
Consolidated balance at 30 June 2024	-	7,134,375	1,307,561	8,441,936

Note 25 : 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 26 : 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, the associated company Genetics Australia Holding Pty Ltd, directors and senior management of the Group and Associated Company. Details relating to the companies are set out in Notes 27 and 28 and remuneration of directors and executives is disclosed in Note 8.

During the financial year the Group completed the sale of 60% of its investment in Genetics Australia Holdings Pty Ltd and as a result the company was deconsolidated. Details of the disposal are set out in Note 1 to the financial statements

Transactions with associated company Genetics Holding Pty Ltd include the leasing of group properties in Western Victoria, the licencing of the group's trade marks and brands and the provision of working capital finance.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Note 27 : Composition of the Group

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

Name of subsidiary or associated company	Country of incorporation and principal place of business	Principle activity	Proportion of ownership interests held by the Group.	
			2024	**2023**
Genetic Investments Ltd.	Australia	Investments	100%	100%
Total Livestock Genetics Victoria Pty Ltd	Australia	Property owner and lessor	100%	100%
Genetics Australia Holdings Pty Ltd	Australia	Joint venture vehicle for the production and sale of genetically superior bull semen	40%	100%

Note 28 : Parent Entity information

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

	2024 $	2023 $
Statement of Financial Position		
Current assets	12,095,514	19,521,144
Total assets	27,248,834	30,988,030
Current Liabilities	2,258,322	8,946,718
Total Liabilities	4,269,330	8,297,923
Net assets	22,979,504	22,690,107
Retained earnings	14,537,668	14,248,171
General reserve	1,307,561	1,307,561
Asset revaluation reserve	7,134,375	7,134,375
Total equity	22,979,604	22,690,107
Statement of profit or loss and other comprehensive income		
Profit (loss) for the year	289,396	3,279,148
Other comprehensive income	-	2,566,092
Total comprehensive income	289,396	5,845,240

Note 29 : 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 5 to 25 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 2024 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.

JOHN PEKIN
CHAIRMAN

TIM HUMPHRIS
DEPUTY CHAIRMAN

Dated this 1st day of November 2024

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 2024, 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 material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Group 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 2024 and of its financial performance for the year then ended, and

b. complying with Australian Accounting Standards – Simplified Disclosures 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 2024, 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 Disclosures, the Co-operative National Law Application Act 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.

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
Chartered Accountants

Tom Mullarkey
Partner

Melbourne, 1 November 2024

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