

Genetics Australia Co-operative Limited

2024 ANNUAL REPORT

1st July 2024 – 31st December 2024



DIRECTORS



John Pekin

Chairman
BAgrBusMgt., Adv.Dip.Ag.
Mortlake, Vic.

John was elected to the GAC Board in November 2016. John has a Bachelor of Agricultural Business Management and an Advanced Diploma of Agriculture. He was a speaker at the Australian Dairy Conference on the success of genomically testing his herd. He worked as an AI technician for 10 years in Dairy and beef herds across South-east Australia. John and his wife Kirsten owned and operated a dairy farm in Kolara for over 30 years, before reducing farm size and now run beef cattle on their Kolara property. John works as a sales manager for Ridley Corporation. He was elected Chairman in 2023.



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 & Welfare Committee.



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.



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.



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.



Lucinda Corrigan

B. Sc. Agr (Hons 1) Bowena, NSW.

Lucinda and her family run a performance recorded herd of 2,300 cows on two aggregations in Southern NSW at Bowena 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.



Jonny O'Brien

Kolara, 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 Kolara and helps oversee a family dairy enterprise south of Simpson. Jonny also sits on the Genetics Australia Holdings Board.

CHAIRMAN'S REVIEW

It is my honour to present the GAC Chairman's report for 2024.

At our last AGM in November 2024, our shareholders passed a resolution to change our financial year to a calendar year, aligning us with GAH and our joint venture partner, URUS.

Therefore, this is a six-month financial recording period from July 1, 2024, to December 31, 2024.

Our new financial year began on January 1, 2025, and going forward, our AGMs will be conducted in May of each year. This will also translate to election of directors being held in May.

GAC recorded a six-month profit of \$466,571 and an equity increase of \$1.36 million on the balance sheet. This was due to a very strong performance of GAH during this period and a revaluation of our properties.

From a shareholder's point of view this is a wonderful result and affirmation of our decision to join forces with URUS. We can see the implementation of the services and technology having a real effect on productivity and efficiency. We at GAC are committed to investing in infrastructure and strategic initiatives, that will not only enhance Genetics Australia but enable it to bring the latest technology and elite genetic material to our beef and dairy clients.

An example of this is the purchase in November 2024, of 83 acres joining the Camperdown business by GAC. This move not only enables the GAH business room to grow but also provides a larger buffer for bio security and an alternate entrance for safety to the properties. This was another strategic initiative the board identified and has now completed.

I can assure our shareholders the GAC board will continue to protect and grow our strong asset base, and that we are fully invested, both strategically and financially, in making Genetics Australia the global leader of grazing genetics.

I would like to thank and commend my fellow board members for their commitment to GAC. Tim Humphris as deputy Chairman, Lucinda Corrigan and Craig Drake. Also, GAH board members, Trevor Henry in the role of Chairman and Jonny O'Brien who joined our board in July 2024.

GAC is also fortunate to have Tony Phillips as our manager and company secretary. He provides a skilled and experienced mind to the day-to-day management of the business, with his broad financial skills.

We have streamlined our meeting timetable and overall cost to the co-operative, while still diligently monitoring GAC and providing board members and support to our Joint venture company GAH.

In closing I would like to congratulate GAH CEO Anthony Shelly and all his staff on a productive and profitable year and all of our shareholders on your continued support.

A handwritten signature in dark ink, appearing to read 'John Pekin'.

JOHN PEKIN
CHAIRMAN

MANAGER'S REVIEW

A strong performance by the group for the six-month period to 31 December 2024 with positive outcomes from both our investment in the joint venture with URUS and recent independent valuations of the group's properties.

Under the shareholder agreement entered into when the joint venture was formed, the Genetics Group was indemnified against delays in the provision of certain synergies to the joint venture by our joint venture partner and, whilst those synergies were provided in full during the last financial year, it was acknowledged that a delay had occurred and as a result a compensation payment of \$96,329 was received during the period which has been included in the group's income.

The joint venture performed well during the six-month period and the group's 40% share of profits after tax was \$339,773. Joint venture profits are currently being utilised within the joint venture to build up reserves in support of the anticipated expansion of its operations.

The main asset of the group are its properties and, in accordance with established policy of having the properties revalued every three years,

independent valuations were recently completed. As a result, there has been an overall increase in value of \$1,355,744. After allowing for the potential liability of capital gains tax, should the properties ever be sold, the increase to the asset revaluation reserve amounted to \$902,337 and this has also been reflected in The Consolidated Statement of Profit and Loss and Other Comprehensive Income in accordance with accounting standards.

In closing I would like to acknowledge the support of both the board of directors of the co-operative and the management of the joint venture company and their preparedness to go beyond the duties normally expected of them in ensuring the efficient operation of the group's activities in the absence of any full-time staffing.

ANTHONY PHILLIPS FCA
MANAGER AND COMPANY SECRETARY

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 six months financial period ended 31st December, 2024.

DIRECTORS

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

John Pekin (Chairman)
Timothy Humphris (Deputy Chairman)
Craig Drake
Lucinda Corrigan
Trevor Henry
John Duffield (retired 1.7.24)
Jonathan O'Brien (appointed 19.7.24)

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 Dairy 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 acquired a property in Camperdown which adjoins the property it currently owns and which will be leased to the joint venture company Genetics Australia Holdings Pty Ltd at commercial rates.

OPERATING RESULTS

The net profit of the Group after providing for income tax amounted to \$466,571 (Year to 30 June 2024: \$521,461)

Other comprehensive profit/(loss) net of income tax is \$902,337 (Year to 30 June 2024: \$Nil)

Total comprehensive profit for the year is \$1,368,908 (Year to 30 June 2024: \$521,461)

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 period ended 31 December 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 22nd day of April, 2025

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 period of six months, were:

BOARD MEETINGS

Director	Eligible to Attend	Attended
J Pekin	4	4
T Humphris	4	4
L Corrigan	4	3
C Drake	4	4
T Henry	4	4
J O'Brien	4	4

AUDIT & RISK MANAGEMENT MEETINGS

Director	Eligible to Attend	Attended
L Corrigan	1	0
C Drake	1	1
T Humphris	1	1
J O'Brien	1	1

AUDITOR'S DECLARATION



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 period ended 31 December 2024 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'SW Audit'.

SW Audit
Chartered Accountants

A handwritten signature in black ink that reads 'Tom Mullarkey'.

Tom Mullarkey
Partner

Registered Company Auditor: 475359
Melbourne, 22 April 2025
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

1st July 2024 – 31st December 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
Continuing Operations			
Sales Revenue	4	300,197	747,025
Cost of Sales		-	41,869
Gross Profit		300,197	788,894
Other income	4	116,099	17,190
Employee benefits expense		(7,591)	(26,124)
Depreciation and amortisation expense	5	(78,177)	(159,855)
Finance costs	5	(7,068)	(54,261)
Rebates		-	9,066
Other expenses		(239,754)	(314,199)
Loss on sale of investment		-	(212,600)
Equity share of profit of associated company	13	339,773	12,090
Profit before Income Tax	5	423,479	60,201
Income tax refund/(expense)	6	43,092	461,260
Net profit/(loss) for the year		466,571	521,461
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)		902,337	-
Foreign exchange profit/(loss) arising on consolidation		-	-
Other Comprehensive Income for the year, net of income tax		902,337	-
Total Comprehensive Income for the year		1,368,909	521,461

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
Current Assets			
Cash and cash equivalents	9	200,130	1,071,882
Receivables	10	25,591	25,439
Other assets	11	13,428	740,284
Total Current Assets		239,149	1,837,605
Non-Current Assets			
Property	12	22,251,360	19,996,108
Plant & equipment, and motor vehicles	12	11,081	12,407
Investments	13	4,482,263	4,142,490
Intangibles	14	603,443	603,443
Total Non-Current Assets		27,348,147	24,754,448
Total Assets		27,587,296	26,592,053
Current Liabilities			
Trade and other payables	15	135,389	114,023
Other financial liabilities	17	-	47,782
Current tax liabilities	18	5,613	2,107,015
Total Current Liabilities		141,002	2,268,820
Non-Current Liabilities			
Financial liabilities	16	1,333,274	-
Other financial liabilities	17	17,300	-
Deferred tax liabilities	18	1,976,330	1,572,951
Total Non-Current Liabilities before members' share capital		3,326,904	1,572,951
Members' interest	22	98,710	98,510
Total Non-Current Liabilities		3,425,614	1,671,461
Total Liabilities		3,566,616	3,940,281
Net Assets		24,020,680	22,651,772
Equity attributable to owners of the parent company			
Reserves	22	9,344,273	8,441,936
Retained earnings		14,676,407	14,209,836
Total Equity		24,020,680	22,651,772

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Consolidated balance at 1 July 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
Increase during the year arising from independent revaluation of freehold properties (net of tax)	-	-	902,337	902,337
Profit for the year	466,571	-	-	466,571
Consolidated balance at 31 December 2024	14,676,407	1,307,561	8,036,712	24,020,680

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Consolidated July to December 2024	Consolidated Year to 30 June 2024
		\$	\$
Cash Flow from Operating Activities			
Receipts from customers and other income		416,144	635,938
Payments to suppliers and employees		(199,122)	(965,114)
Finance costs paid		(7,068)	(54,261)
Income tax paid		(2,108,339)	(723,605)
Net cash provided by/(used in) operating activities		(1,898,385)	(1,107,042)
Cash Flow from Investing Activities			
Proceeds from sale of property, plant, equipment, motor vehicles and livestock		-	47,304
Proceeds from sale of investments		-	2,200,000
Payments for property, plant, equipment, motor vehicles and livestock		(976,359)	(16,993)
Payments for transfer of employee provisions		-	(510,158)
Net cash flows provided by/(used in) investing activities		(976,359)	1,720,153
Cash Flow from Financing Activities			
Net proceeds from share issues		200	270
Proceeds/(Payments) in respect of debenture holders		(30,482)	(23,504)
Net Proceeds/(Repayment) of borrowings		1,333,274	-
Net (Payments)/Repayment of loans to associated company		700,000	(700,000)
Net cash provided by/(used in) financing activities		2,002,992	(723,234)
Net increase/(decrease) in cash held		(871,752)	(110,123)
Cash at beginning of financial year		1,071,882	1,182,005
Cash and cash equivalents at the end of the financial year	9	200,130	1,071,882

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 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 six months period ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 22nd April, 2025.

Comparatives are consistent with prior years, unless otherwise stated.

Shareholders passed a special resolution at the last AGM of the Co-operative to change the financial year ending date from 30 June to 31 December to bring the reporting requirements into line with those of the main operating entity being the associated company Genetics Australia Holdings Pty Ltd.

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 business

4104 Geelong-Bacchus Marsh Road
Parwan Vic 3340

Principal activities

The principal activities of the entities within the Group during the financial period were investing in, maintaining and leasing out 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 SIX MONTHS ENDED 31 DECEMBER 2024

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.

Taxable Losses

Taxable losses in the amount of \$433,978 have been recognised on the basis that the co-operative will generate taxable income over future years through its leasing arrangements to absorb these losses.

Key judgements

Valuation of properties

The group has a policy of independently valuing its properties every three years. All properties, excluding the property acquired during the period to December 2024, have been independently valued since December 2024. The directors have reviewed these independent valuations and have included them in these accounts. The recently acquired property that borders the existing Camperdown property has been included at its cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 3: Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 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

	Note	Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
Sales Revenue			
sale of goods		-	(4,920)
genetics and other services			157,790
rent and trade mark licence fee income		300,197	594,155
Total sales revenue		300,197	747,025
Other income			
Profit on disposal of assets held for sale, plant and livestock		-	785
Contribution from joint venture partner	(i)	96,329	-
Bad debt recovered		7,500	-
Interest received		12,270	16,405
Total other income		116,099	17,190

Note (i)

The contribution from joint venture partner of \$96,329 was a one-off receipt arising under the joint venture shareholder agreement and related to compensation for delays in certain synergies being provided to the joint venture. Those synergies have since been provided.

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

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

Finance costs		7,068	54,261
Depreciation of non-current assets	12	78,177	159,855

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 6 : Income Tax Expense

	Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
(a) The components of tax expense comprise:		
Current tax	11,080	-
Deferred tax	(56,094)	(154,325)
(Over)/under provision for tax in prior year	1,922	(306,935)
	(43,092)	(461,260)
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax expense on profit from ordinary activities before income tax and share of associated company's profit @ 25% or 30% (June 2024 25%)	72,266	12,028
Add		
Tax effect of:		
Non-deductible expenses	-	4,084
Under provision for current tax in the prior year	1,324	-
Under provision for deferred tax in the prior year	598	3,642
	1,922	7,726
Less:		
Tax effect of:		
Over provision for current tax in the prior year	-	310,577
Net effect to deferred tax assets and liabilities on change in taxation rate	67,910	-
Capital losses created	-	170,437
Income tax included in equity share of profit in associated company	49,370	-
	117,280	481,014
Income tax (refund)/expense attributable to the Group for the year	(43,092)	(461,260)

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 period ended 31 December (year ended 30 June)	35,000	60,000
-other services	-	-
	35,000	60,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 8 : Key Management Personnel Remuneration

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

- Directors
- Executives

	Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
	74,147	167,088
	-	-
	74,147	167,088

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

	200,130	1,071,882
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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
Cash and cash equivalents

	200,130	1,071,882
	200,130	1,071,882

The Group has a fully undrawn bank overdraft facility of \$100,000 at 31 December 2024 (\$100,000 at 30 June 2024).

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.

Note 10: Trade and Other Receivables

Trade receivables
Provision for impairment of receivables

	42,500	42,348
	(16,909)	(16,909)
	25,591	25,439

Movement in provision for impairment of receivables

Opening balance
Increase/(reduction) in provision
Bad Debt write-off
Closing balance

	16,909	227,825
	-	944
	-	(211,860)
	16,909	16,909

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 21 for further discussion on the determination of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 11 : Other Assets

Loan to associated company
Prepayments

Consolidated July to December 2024 \$	Consolidated Year to 30 June 2024 \$
-	700,000
13,428	40,284
13,428	740,284

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 12 : Property, Plant & Equipment, Motor Vehicles and Livestock

Land and Buildings - at fair value
less accumulated depreciation
Total Land and Buildings

Plant, Equipment & Motor Vehicles - at cost
less accumulated depreciation
Total Plant, Equipment & Motor Vehicles

Total Property, Plant & Equipment

22,251,360	20,873,863
-	(877,755)
22,251,360	19,996,108
74,874	74,874
(63,793)	(62,468)
11,081	12,407
22,262,441	20,008,515

	Land and Buildings	Plant, Equipment & Motor Vehicles	Total
Consolidated balance at 30th June 2024	19,996,108	12,407	20,008,515
Revaluation of assets	1,355,744		1,355,744
Additions at cost	976,359	-	976,359
Disposal - written-down value	-	-	-
Depreciation expense	(76,851)	(1,326)	(78,177)
Consolidated carrying amount at 31st December 2024	22,251,360	11,081	22,262,441

Asset revaluations - Land and Buildings

The Directors revalued land and buildings of the Group at 31 December 2024 following recent independent valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 12 : 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.

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%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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 indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the 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 from 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 SIX MONTHS ENDED 31 DECEMBER 2024

Note 13 : Investments

Investment in Associated Company at fair value

The investment in the associated company Genetics Australia Holdings Pty Ltd was initially valued by the directors based on an independent valuation that had been carried out by Findex Corporate Finance (Aust) Ltd dated March 2024. The groups equity share of subsequent profits has been added to the value of the investment

Equity share of profits from Associated Company:

Equity share based on results for the period after income tax
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.

Consolidated July to December 2024	Consolidated Year to 30 June 2024
4,482,263	4,142,490

339,773	210,090
-	(198,000)
339,773	12,090

Note 14 : Intangibles

Trademarks
Brand names

20,443	20,443
583,000	583,000
603,443	603,443

	Trademarks	Brand Names	Customer Relationships	Total
Balance at 30th June 2024	20,443	583,000	947,700	1,551,143
Amount sold to associated company	-	-	(947,700)	(947,700)
Balance at 30th June 2024	20,443	583,000	-	603,443
Movement in period to 31 December 2024	-	-	-	-
Carrying amount at 31st December 2024	20,443	583,000	-	603,443

Accounting treatment

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 15 : Trade and Other Payables

Current
Trade payables
Sundry payables and accrued expenses

99,022	67,245
36,367	46,778
135,389	114,023

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 16 : Financial Liabilities

Non-current

Bank loan secured

(b) The carrying amounts of non-current assets pledged as security are:

First mortgage

'- Freehold land and buildings

	Consolidated July to December 2024	Consolidated Year to 30 June 2024
	1,333,274	-
	1,333,274	-
	21,275,001	20,144,683
	21,275,001	20,144,683

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.

Note 17 : Other Financial Liabilities

Current

Debentures repayable within 12 months

Non-current

Debentures repayable after 12 months

	-	47,782
	17,300	-
	17,300	47,782

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 18 : Tax

a) Assets (Liabilities)

Deferred tax assets comprise:

	Consolidated July to December 2024	Consolidated Year to 30 June 2024
Provisions	4,227	4,227
Other	26,886	34,542
Income tax losses	433,978	369,873
Capital losses	869,873	831,408
	1,334,964	1,240,050

Deferred tax liabilities comprise:

Tax allowances relating to		
Property, plant and equipment, motor vehicles and livestock	(2,932,994)	(2,434,695)
Investments	(378,300)	(378,300)
Other	-	(6)
	(3,311,294)	(2,813,001)

Net deferred tax liabilities

	(1,976,330)	(1,572,951)
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Current tax liabilities comprise:

Provision for current tax payable	(5,613)	(2,107,015)
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b) Reconciliations

Gross Movements

The overall movements in deferred tax account is as follows:

Consolidated opening balance	(1,572,951)	(1,568,019)
Effect of income tax rate change	67,909	-
Transfer from asset revaluation reserve	(453,407)	-
Charged to the income statement	(17,881)	(4,932)
	(1,976,330)	(1,572,951)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 19 : 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.

Note 20 : Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not recognised as a liability (June 2024 Nil).

Note 21 : 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:

		Consolidated July to December 2024	Consolidated Year to 30 June 2024
Financial Assets:			
Cash and cash equivalents	9	200,130	1,071,882
Trade and other receivables	10	25,591	25,439
Loan to associated company	11	-	700,000
Total Financial Assets		225,721	1,797,321
Financial Liabilities:			
Financial liabilities at amortised cost:			
- Trade and other payables	15	135,389	114,023
- Bank Loan	16	1,333,274	-
- Debentures	17	17,300	47,782
Total Financial Liabilities and Debentures		1,485,963	161,805

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 21 : 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 21 : Financial Risk Management (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 22 : Members Interest and Equity

a) Share Capital:

The details of share capital are as follows:

Opening balance - 49,255 fully paid shares

Shares issued during the year

Shares cancelled/redeemed/forfeited during the year

Closing balance - 49,355 fully paid shares

	Consolidated July to December 2024	Consolidated Year to 30 June 2024
	98,510	98,240
	200	1,070
		(800)
	98,710	98,510

	July to December 2024	Year to 30 June 2024
Number of Members	939	938

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:

	Asset revaluation reserve \$	General Reserve \$	Total \$
Consolidated balance at 1 July 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
Increase during the year arising from independent revaluation of freehold properties:			
Before tax	1,355,744	-	1,355,744
Tax benefit/(expense)	(453,407)	-	(453,407)
Net of tax	902,337	-	902,337
Other comprehensive income for the year (all attributable to the parent):	-	-	-
Consolidated balance at 31 December 2024	8,036,712	1,307,561	9,344,273

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 23 : Contingent Liabilities

The Co-operative is currently seeking remission of interest charges in the amount of \$639,804 applied by the ATO to the Capital Gain which arose in respect of the sale of the Parwan Park South property near Bacchus Marsh.

Our tax advisors have filed all necessary lodgements and have been verbally advised that once processed the request for remission will be accepted. Accordingly, no provision has been recognised in relation to this matter as at the reporting date.

The directors are not aware of any other contingent liabilities as at 31 December 2024.

Note 24 : 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 25 and 26 and remuneration of directors and executives is disclosed in Note 8.

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.

Note 25 : 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	
			December 2024	June 2024
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%	40%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Note 26 : Parent Entity information

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

	Note	December 2024	June 2024
		\$	\$
Statement of Financial Position			
Current assets		11,268,574	12,095,514
Total assets		25,481,710	27,248,834
Current Liabilities		35,382	2,258,322
Total Liabilities		3,169,813	4,269,330
Net assets		22,311,897	22,979,504
Retained earnings		14,570,212	14,537,568
General reserve		1,307,561	1,307,561
Asset revaluation reserve		6,434,124	7,134,375
Total equity		22,311,897	22,979,504
Statement of profit or loss and other comprehensive income			
Profit/(Loss) for the year		32,644	289,396
Other comprehensive income/(loss)	(i)	(700,251)	-
Total comprehensive income/(loss)		(667,607)	289,396

Note (i)

The other comprehensive loss in the parent company is due to a downward valuation on property. The valuation of properties owned by other group companies showed a significant increase over their book values and, as a result, other comprehensive income of the group as a whole amounted to \$902,337 as disclosed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Note 27 : 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 24 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 31 December 2024 and of the performance for the period 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 22nd day of April 2025

AUDIT REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024



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 31 December 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 period 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 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 31 December 2024 and of its financial performance for the period 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 period ended 31 December 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.
- 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.

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.

AUDIT REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

 Take the lead

SW

SW Audit

Chartered Accountants

Tom Mullarkey

Tom Mullarkey
Partner

Melbourne, 22 April 2025

NOTES

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