

ANNUAL REPORT 2023 / 2024



Holstein

A U S T R A L I A

**Presented at the 37th Annual General Meeting
of the Holstein-Friesian Association of Australia Incorporated
Tuesday 22nd October 2024**

THE HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INC.

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PRESIDENT'S REPORT

Gino Pacitti

President, Hindmarsh Tiers, South Australia

The last year has seen dairy farmers face both challenges and opportunities, but overall the industry remains in a relatively good position. The same could be said for Holstein Australia.

For members, the challenges have included weather disruptions, rising production costs and labour shortages, balanced out to a degree by a recovery in milk production during 2023 and into this year. For the Association the challenges have included the rising cost of doing business - certainly not unique to the dairy industry - and the impact of the dramatic slow-down in the export market.

Export

As seen in the financial report the effect of the live export slow down for the Association has been drastic. Over this time the Association has continued to work with industry partners on building alternate export markets for Holstein heifers as well as promoting the benefits of registered Holsteins to these markets. While good progress has been made on this front, this is very much a medium to long term project to develop these markets.

Conversations with organisations such as Dairy Australia and LiveCorp indicate that there is still potential for a long term market in China but it is unlikely that it will return in any significant manner over the short term.

Governance

Member Advisory Committee

Established in the previous financial year this was the first full year of the Member Advisory Committee (MAC) being active. The Committee made a positive contribution providing advice to the Board on a number of areas including pricing for large volume registrations, changes to the Semex Holstein Australia All-Australian Photographic Competition and a program to provide additional support to sub-branches.

The Board and HA management are also working on a number of initiatives put forward by the Member Advisory Committee, including increased inspections of animals entered to high level shows, which are due to be implemented over the 2024 / 25 financial year.

A real positive has been the level of engagement with the Member Advisory Committee. Currently 14 Holstein Australia Sub-branches are represented on the Committee. It provides a member based focal point to consider and recommend policies and systems to effectively engage with the membership.

As a representative forum for members to contribute to Holstein Australia programs and activities I would encourage all members to talk with their Member Advisory Committee representatives at local sub-branch meetings

Show Ethics

Obviously the Covid-19 years saw a reduction in the number of shows being run. In turn there were reduced matters for the All Dairy Breeds Show Ring Committee (ADBSRC), responsible for the Code of Ethics, to consider.

Across the past 18 months we have seen a return to a full show season, with a strong Holstein presence at both the major state and national shows and at local level, as has been the case for all other breeds.

Given the increase in activity, there has been an increase in matters referred to the ADBSRC.

Holstein Australia endorses the All Dairy Breeds Show Ring Code of Ethics, which has the primary purpose of ensuring that all animals presented for exhibition will be in their natural conformation and structure, free from any alteration or modification caused by unethical fitting practices.

The Association remains an active ADBSRC contributor as it looks to refine and improve its processes.

Rules Review

Back in 2016 the Association made significant changes to the Rules and reshaped the way sub-branches interacted with the Board and staff, so it has been sometime since a full review of the Rules was undertaken.

Holstein Australia is a member of the Associations Forum and as such can utilise the Forum to undertake a review of the Association Rules to ensure they meet current requirements and best practice. This process was undertaken in May 2024.

With the Rules review completed, the Board has determined that the next step is undertake broad consultation with Holstein Australia Committees and members to ensure that the Rules, and any proposed changes, meet member and Association needs. Ideally this consultation will take place during the first half of 2025.

Youth and Future leaders

The 2023 / 2024 financial year was a positive year for Holstein Australia on the youth front.

Regular programs, including The Holstein Australia IDW Youth Challenge and UK Exchange, along with the many member run calf days and state based and regional youth camps supported by the Association, continue to be well attended and are positive contributors to both HA and the broader industry.

Holstein Australia was also a founder member of the Australian Dairy Youth Association (ADY), which supports the development of our next and future generations of dairy farmers and leaders through programs that grow and nurture farming and leadership capabilities.

Working together with the other dairy breed associations, the last financial year saw three key ADY programs launched. An educational travel scholarship, three creative content internships and the first Australian Dairy Youth Academy.

Held over three days at AgriBio, Dairy House and the Dairy Australia offices at Southbank in Melbourne, participant feedback to the Academy highlighted that it had met a real industry need.

The piece of feedback which resonated the most with me was: "It was truly a great experience and opportunity to gain knowledge and skills to better yourself. A great way to also meet and spend time with likeminded people who all have similar goals and aspirations who want to see each other succeed. I cannot thank the organisers and guest speakers enough".

Youth and our Association taking the lead in bringing the registered sector together to develop new youth programs that support the future of our industry is a key part of HA's current strategic plan. These first steps have ticked a lot of boxes, with more ADY programs in the pipeline.

ADY founding members are Holstein Australia, Jersey Australia, Guernsey Australia, Illawarra Cattle Society of Australia, Australian Red Dairy Breed and Brown Swiss Australia.

World Holstein Friesian Federation Conference 2028

Holstein Australia was successful in its bid to host the 2028 WHFF Conference in Melbourne during the last financial year. A lot of work went into the bid, and I'm sure with the support of members and HA staff the Association will create a world class event that shows Australia and the Holstein breed in the best way possible.

This project will obviously continue to develop over the next couple of years, with the next stage being seeking member input into the program to ensure that Australia puts on an impactful and relevant event for international Holstein breeders.

Thank you to members and staff

I extend my heartfelt thanks to each and every one of you who has contributed to Holstein Australia. Our achievements would not be possible without the unwavering dedication of our members, the tireless efforts of our staff, and the invaluable support from our entire community. Your passion, commitment, and belief in the Association's values drive us forward year after year.

I would also like to acknowledge our Member Advisory Committee and BDCC members, along with our ADBSRC representatives. Their work directly benefits all members and plays its part in strengthening the Association.

Thank you as well to outgoing director, Jacqui Soares. Jacqui, along with husband Ross, have passionate and active Holstein Australia members all their farming life. Jacqui brought that passion to the Board table, along with her considerable industry, commercial and governance experience. Her focus on youth and the future of the dairy industry was also invaluable in shaping the Australian Dairy Youth Association's remit, ensuring a real focus on programs that will equip young people with the skills and knowledge essential for thriving in our industry.

The future of the Association

The 2024/2025 Financial Year is set to be a definitive one for the Association. This is an opportunity for members to inform the Board about how they believe the Association can best work for them and play an active part in helping the Board develop strategies for management to deliver.

Times are certainly tough, particularly given the live export situation. However tough times also present an opportunity. It can make us stronger and more resilient, help us to develop new skills and perspectives, and give us a greater appreciation for what we have.

The Board will work with all committees and the broader Holstein Australia membership to meet these challenges.

Gino Pacitti
President and Chair of the Board

AUDIT and FINANCE REPORT

Phil Hall

Representative, the Audit and Finance Committee, Wokalup, WA

The Association reported a loss of \$229,923 in 2023/24 compared to a profit of \$284,552 in the previous year largely due to sustained poor live export trading conditions. Total income reduced by over \$800,000 however operating expenses were lower by around \$300,000.

The Association's balance sheet remains strong with total equity of \$4.4million slightly down on the previous year mainly due to lower cash reserves reflecting the low level of live export activity and the investment portfolio with Perpetual continues to deliver satisfactory results.

Sales revenue

Membership

It was pleasing to see that package fees and subscriptions remained steady against the previous year representing the fact that while some members resigned this was matched with new and returning members.

Live Export

The significant reduction in live export is well documented with significantly fewer shipments of heifers going to China. The issue of fewer live export certificates represented a reduction of \$391,027 compared to the previous financial year, while income from inspections was down \$266,032.

Classification

Classification income reduced by 6%, which was a reasonable result when compared to the reduction in classification expenses. The reduction in classification income was a combination of reduced member classification and industry classifications. Classifications for other breeds was up \$7,097, a 23% increase on the previous year.

Genomics

The link between genomic testing and live export meant there was reduced up take in this service, with a 7% or \$38,262 reduction.

Registration and Transfers

Income from registrations rose by \$94,703. This was driven by several factors. The market changes around live export meant that some other markets such as Indonesia and Pakistan strengthened. Orders for these markets often require animals are registered with a breed association rather than an export pedigree certificate.

Expenses

Classification

Expenses for classification were down \$143,174 against the previous year in part because the Association operated for most of the year with one less classifier. The savings come from both saved salaries but also cost savings such as travel, accommodation and meals. While a delay in the delivery of the classification system was frustrating it did result in a reduction in costs to the value of \$18,987 by continuing to use the previous system.

Export Services

The reduction in live export expenses is a result of the fact Holstein Australia invoices exporters on behalf of its partners in the Memorandum of Understanding for Live Exports to China, and this is reflected in the reduction of those outgoing costs.

Marketing and Journal

The rise in Marketing and Journal expenses is due to some of the expenses related to printing the Member directory, totalling \$12,210. Mailing expenses also rose by \$5,516. An additional \$5,643 was also spent on promotional activities such as running the Classification Promotional Days.

Projects

Costs allocated to projects for the financial year remained steady, this related primarily to the development and implementation of the new classification system.

Investment fund performance

The Associations managed fund performed well, with a balance increase of \$246,967.

Balance Sheet

The drop in cash of \$648,403 does reflect a period in July where the Association had purchased new vehicles for the classification team using cash reserves. Finance for the vehicles was finalised for these vehicles during the current financial year. The value of these vehicles is reflected in the increase of plant and equipment of \$107,687 and a reduction in Motor vehicle liability of \$31,141.

Summary and Outlook Ahead

The change in live export income has had a clear impact on the bottom line of the Association. This has been mitigated somewhat by improved registration performance and a positive outcome for the investment portfolio.

While the Board took the necessary time to see if there was a recovery in the live export market the current situation seems to be the new normal. In August this year the Board asked management to look at ways to significantly reduce costs over and above what was budgeted previously for the year. Management is currently working its way through these cost saving measures including a reduction in staffing levels that will be implemented in October / November 2024.

Phil Hall

Representative, the Audit and Finance Committee

BREED DEVELOPMENT and CONFORMATION COMMITTEE REPORT

Garry Carpenter

Gunns Plains, Tasmania

It has been a busy year for the Breed Development & Conformation Committee with the implementation of the updated classification system and significant work on the pre-National Breeding Objectives Survey which was completed by members a few months ago.

Committee

At the end of the previous financial year Phil Daniel's term on the BDCC completed and he did not seek re-election. Thank you to Phil for his contribution across the previous three years. We also welcomed Bill Morgan to the Committee. Bill has passion for breed improvement coupled with his experience as a breeder and also working in the Herd Improvement industry, which has brought a valuable contribution to the Committee.

Competitions

Semex Holstein Australia All Australian Competition

Another good year for the All Australian Photographic Competition with 143 entries, a pleasing result given a change to the date of entries closing resulting in shows held during June 2024 falling into the next competition next year. Andrew Koch (Glenunga) was added to the judging panel for the next three years alongside David Johnston (Segenhoe Park) and David Ninness from Semex. This was David Johnston's final year on the panel and we thank him for contribution, especially taking on the role during a testing phase during Covid-19.

Cow the Year

The Cow of the Year competition goes from strength to strength. The Committee, along with guest judges Anthony Shelly (Genetics Australia) and Owen Daley (Promenade) considered a strong field of 9 entries. All entries were worthy contenders and the Committee congratulates the finalists.

Classification

New system new traits

In April 2024 the Association finalised implementing the new version of the classification software. The Committee is pleased that the new system has allowed for both refreshed reports and a smoother reporting process.

The new system also allows more flexibility around new traits. Something the Committee has witnessed and heard from fellow breeders is increasing issues around the tilt of the udder floor making putting cups on cow difficult. This has seen this trait added as a research trait with low scores representing a tilt, intermediate scores being level and higher scores representing a reverse tilt. This will allow data collection on this trait over the next 12 months. Part of the 2024 / 2025 plan is to review the weightings of the classification system and that is the natural time to consider the full inclusion of new traits.

National Breeding Objective

DataGene is currently conducting its National Breeding Objective (NBO) review. This review looks at both changes in farm economics, development of new traits and technologies alongside feedback from

farmers about their on-farm requirements. Once this is considered DataGene will make changes to the indices it calculates, primarily this is the Balanced Performance Index (BPI).

To ensure that member feedback regarding the NBO was captured and presented appropriately Holstein Australia management, under the guidance of the BDCC, undertook a survey of members to best understand the feelings of broader association. The outcome of this survey was then discussed by the Committee and then with DataGene to help the Committee form a considered position for the Association. A full report of this will be sent to members during November and included in the Summer edition of the Journal.

The year ahead

The BDCC's key task for the year ahead is conduct a formal review of how traits are weighed in the classification system, coupled with contributing to the next Holstein Australia strategic plan.

Garry Carpenter

Chair, Breed Development and Conformation Committee

CHIEF EXECUTIVE OFFICER'S REPORT

Rohan Butler

Chief Executive Officer

As we reflect on the 2023 / 2024 financial year, it is clear that Holstein Australia continues to navigate an evolving landscape within the dairy industry with resilience and adaptability.

This period has seen both challenges and opportunities, with the unwavering commitment of our members, staff, and stakeholders maintaining our focus on delivering value, enhancing herd quality, and supporting the long-term growth of member businesses.

Staff Operations

Our staff remain one of the biggest assets of the Association and the key drivers of service delivery and overall member experience. Over the past 12 months staffing levels had to be coupled with the financial reality of the continued live export slowdown and the income the Association receives from it.

The previous financial year started with 13.5 Full Time Equivalentents (FTE) and this was reduced to 11.5 with two departures, one being the classifier Rebecca Haebich and the other Communications Coordinator Amanda Glossop. I'd like to take this opportunity to thank both Rebecca and Amanda for their contribution to the Association.

The Association continues to assess staffing levels in light of the financial constraints resulting from the ongoing live export situation. Balancing service delivery to our members while managing a reduction in staff has required a strategic realignment of resources and a focus on operational efficiency. Despite these changes, we have prioritised maintaining high-quality support and services to ensure that our members continue to receive the value and support they expect from Holstein Australia.

Annual Operating Plan

Why Holsteins

The back of the calendar year saw completion of this project with Ian Lean. This project has helped provide Holstein Australia with the scientific facts that underpin the adaptability and resilience of the breed. Ian will present this work to the Member Advisory Committee and BDCC in the near future. After that we will use of this information in promotions to domestic breeders and also Live Export Customers.

Classification Promotional Tour

With the implementation of the new classification system it was thought it was time to get back to basics by promoting and educating members about the classification system. These presentations were conducted in three sub-branches to audiences interested in the system. This was both a good way to communicate information to members and but also get feedback on what members are wanting from the system into the future.

Caisley Tissue Sampling Ear Tag

HA is now an agent for Caisley Tissue Sampling Ear Tags within Australia. This is a fairly simple concept. For those that are genomically testing a tissue sample is taken at the same time as applying an ear tag to the calf. This has two key benefits. Firstly the single action completes two tasks, applying the ear tag

and capturing a DNA sample. Also as the ear tag is linked to the calf and DNA sample, the sample cannot be wrongly applied to another animal's record.

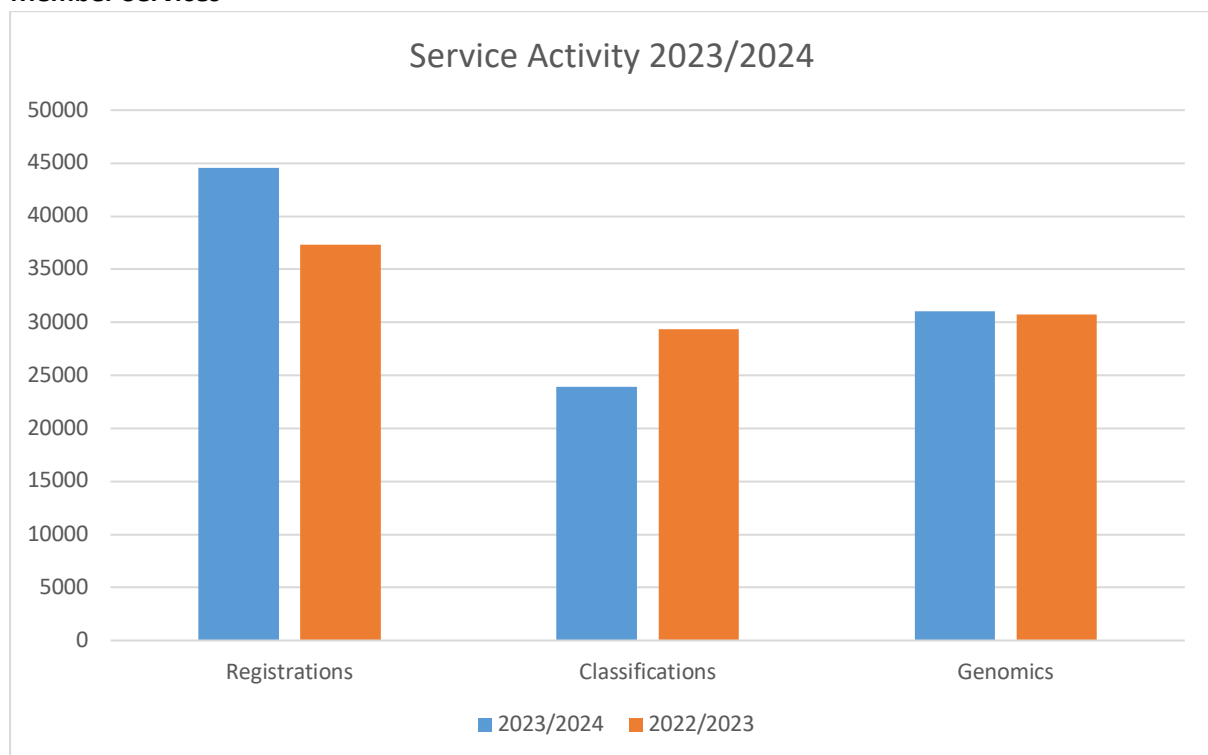
ILR Online

Over the past 12 months Holstein Australia staff working alongside developers from ABRI have implemented the latest of version of ABRI's registration software. The key piece in this work was adding the ability to link a photo to an animal's registration. Positive feedback has been received from members regarding the software.

Live Export

The entire industry is well aware of the decline in live export, which has had a significant impact on Holstein Australia's economic performance.

Member Services



Registrations

Despite the decline in live export, animal registrations were 19% up for the financial year. This was driven by several factors:

- Between July and September, the Holstein Round Up enabled members to catch up registrations at a reduced rate to what they would usually pay based on animal age.
- While live exports were reduced there were shipments to several different countries that required animals to be registered with Holstein Australia.
- Office and classification staff worked well to identify and work with members that required a registration catch up.
- The previously mentioned update to ILR Online meant some members were able to undertake their own catch up.

Genomics

The industry has learnt that the exponential growth of genomic testing was in some way linked to breeders selecting animals for live export and as such we have seen a flattening of the uptake of this service. The Association continues to work closely with Zoetis for whom it provides data processing services.

Classification

On face value a drop of 18% in classifications conducted was not a great result. This was though coupled against reduced number of classifiers for the majority of the year, including the peak Spring period. Changes to the way the classifiers operate after the Spring of 2024 will mean Holstein Australia is more dynamic in the way the classification system is resourced from a staffing perspective.

Summary

The 2023 / 2024 financial year has been a complicated period for the Association to work through. For the year ahead, balancing our resources will be critical in ensuring service delivery growth and continued member support. By optimising our operational efficiencies and prioritising key strategic initiatives, the Association will be able to navigate the challenges ahead while maintaining the high standards of service our members rely on.

Rohan Butler

Chief Executive Officer

**HOLSTEIN-FRIESIAN
ASSOCIATION OF AUSTRALIA INCORPORATED
ABN: 87 455 118 302**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

TABLE OF CONTENTS

	Page
Statement by Members of the Committee	2
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Independent Audit Report	17

General information

The financial statements cover Holstein-Friesian Association of Australia Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Holstein-Friesian Association of Australia Incorporated 's functional and presentation currency.

Holstein-Friesian Association of Australia Incorporated is a not-for-profit entity, incorporated and domiciled in Australia. Its registered office and principal place of business is:

AgriBio
5 Ring Rd
Bundoora VIC 3083

The financial statements were authorised for issue, in accordance with a resolution of the Committee. Members of the Committee have the power to amend and reissue the financial statements.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the Members of the Committee the accompanying financial report comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial report:

1. Presents a true and fair view of the financial position of Holstein-Friesian Association of Australia Incorporated as at 30 June 2024 and its performance for the year ended on that date in accordance with the Australian Accounting Standards - Simplified Disclosures, other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
2. At the date of this statement, there are reasonable grounds to believe that Holstein-Friesian Association of Australia Incorporated will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the Committee by:



G. Pacitti
President



J. Soares
Vice President

Dated this 20th day of September 2024

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Revenue			
Sales revenue	3	2,755,263	3,646,520
Other income	3	257,258	217,665
Expenses			
Classification expenses		(670,027)	(813,201)
Technical services expenses		(737,178)	(693,886)
Export services expenses		(276,815)	(532,636)
Member services expenses		(583,543)	(631,432)
Occupancy expenses		(13,891)	(14,676)
Administration & office overhead expenses		(462,389)	(378,052)
Marketing & journal expenses		(328,030)	(284,465)
Project expenses		(242,039)	(259,690)
Depreciation & amortisation		<u>(117,918)</u>	<u>(116,657)</u>
Total operating expenses		(3,431,830)	(3,724,695)
Change in market value of investments	8	<u>189,386</u>	<u>145,062</u>
(Loss)/surplus from continuing operations		(229,923)	284,552
Other comprehensive income		—	—
Total comprehensive (loss)/surplus for the year attributable to the members of Holstein-Friesian Association of Australia Incorporated		<u>(229,923)</u>	<u>284,552</u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	5	450,680	1,099,083
Trade and other receivables	6	392,077	389,989
Short-term deposits		305,000	305,000
Other current assets	7	14,505	15,767
Total current assets		1,162,262	1,809,839
Non-current assets			
Financial assets	8	3,441,078	3,194,111
Plant and equipment	9	245,293	137,607
Right-of-use assets	10	168,478	264,537
Intangible assets	11	45,839	62,090
Total non-current assets		3,900,688	3,658,345
Total assets		5,062,950	5,468,184
Current liabilities			
Trade and other payables	12	226,519	288,659
Provisions	13	232,294	236,034
Lease liabilities	14	30,647	66,500
Total current liabilities		489,460	591,193
Non-current liabilities			
Provisions	13	17,185	8,865
Lease liabilities	14	146,496	228,394
Total non-current liabilities		163,681	237,259
Total liabilities		653,141	828,452
Net assets		4,409,809	4,639,732
Equity			
Retained surpluses		4,409,809	4,639,732
Total equity		4,409,809	4,639,732

The Statement of Financial Position should be read in conjunction with the accompanying notes.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	4,355,180	4,355,180
Operating surplus for the year attributable to the members of Holstein-Friesian Association of Australia Incorporated	284,552	284,552
Other comprehensive income for the year	—	—
	<hr/>	<hr/>
Total comprehensive surplus for the year attributable to the members of Holstein-Friesian Association of Australia Incorporated	284,552	284,552
	<hr/>	<hr/>
Balance at 30 June 2023	4,639,732	4,639,732
	<hr/>	<hr/>
Operating loss for the year attributable to the members of Holstein-Friesian Association of Australia Incorporated	(229,923)	(229,923)
Other comprehensive income for the year	—	—
	<hr/>	<hr/>
Total comprehensive loss for the year attributable to the members of Holstein-Friesian Association of Australia Incorporated	(229,923)	(229,923)
	<hr/>	<hr/>
Balance at 30 June 2024	4,409,809	4,409,809
	<hr/>	<hr/>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from operations		2,832,874	4,306,558
Dividends and distributions received		104,130	134,327
Interest received		7,968	11,851
Interest paid on lease liabilities		(12,120)	(15,116)
Payments to suppliers and employees		<u>(3,356,768)</u>	<u>(4,039,349)</u>
Net cash (used in) / from operating activities	20	<u>(423,916)</u>	<u>398,271</u>
Cash flows from investing activities			
Proceeds from sale of plant and equipment		97,037	4,000
Payments for plant and equipment		(146,192)	(41,004)
Payments for short-term deposits		—	(250,000)
Proceeds from financial assets		526,836	330,541
Payments for financial assets		<u>(584,417)</u>	<u>(457,039)</u>
Net cash (used in) investing activities		<u>(106,736)</u>	<u>(413,502)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(117,751)</u>	<u>(70,304)</u>
Net cash (used in) financing activities		<u>(117,751)</u>	<u>(70,304)</u>
Net (decrease) / increase in cash and cash equivalents		(648,403)	(85,535)
Cash and cash equivalents at the beginning of the financial year		<u>1,099,083</u>	<u>1,184,618</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>450,680</u></u>	<u><u>1,099,083</u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporation Reform Act (Vic) 2012* and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Sales

For all Sales items, the Association has a clear contractual obligation to provide services to the customer and recognises revenue in accordance with AASB 15 in the period that those performance obligations are met.

Interest income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Income Tax

The Association is exempt from income tax under section 50-40 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the association has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either:

- i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or
- ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch.

Fair value movements are recognised in profit or loss.

Impairment of financial assets

The association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1. Material accounting policy information (continued)

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment using the depreciation rates as follows:

Class of Fixed Asset	Depreciation Rate
Office Equipment	6 to 13%
Furniture, Fixtures and Fittings	4 to 6%
Computer Equipment	17 to 35%
Buildings Right-of-Use Asset	10%
Motor Vehicles Right-of-use Asset	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use asset acquired by lessees – Initial measurement

The Association recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located

Right-of-use asset – Subsequent measurement

The Association depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Intangible assets

Intangible assets acquired are initially recognised at cost. These assets have a finite life and are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1. Material accounting policy information (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expenses

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Association estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3. Revenue

	2024	2023
	\$	\$
Sales		
Package fees	201,022	206,746
Subscriptions	128,068	128,542
Registrations	572,877	478,174
Transfers	56,292	58,348
Export charges	582,703	1,223,488
Classification	603,318	932,044
Technical services	493,225	524,323
Other operating revenue	<u>117,758</u>	<u>94,855</u>
	<u>2,755,263</u>	<u>3,646,520</u>
Other Income		
Interest earned	18,252	11,851
Dividend & distribution income	104,130	174,779
WFI commission	69,415	67,487
Profit on sale of assets	<u>65,461</u>	<u>4,000</u>
	<u>257,258</u>	<u>217,665</u>
Total Income	<u><u>3,012,521</u></u>	<u><u>3,864,185</u></u>

Note 4. Expenses

Operating result before income tax includes the following specific expenses:

Salaries	1,057,023	1,127,984
Superannuation	<u>116,053</u>	<u>117,067</u>
Employee benefits expenses (included within expenses by function)	<u>1,173,076</u>	<u>1,245,051</u>

Note 5. Cash and cash equivalents

Investment portfolio cash	151,400	131,819
Cash at bank	<u>299,280</u>	<u>967,264</u>
	<u>450,680</u>	<u>1,099,083</u>

Note 6. Trade and other receivables

Current

Trade receivables	355,414	350,881
Other receivables	<u>36,663</u>	<u>39,108</u>
	<u>392,077</u>	<u>389,989</u>

Note 7. Other current assets

Current

Prepayments	<u>14,505</u>	<u>15,767</u>
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HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8. Financial assets

	2024	2023
	\$	\$
Non-Current		
Portfolio investment	3,441,078	3,194,111
	3,441,078	3,194,111
<u>Movement of investments</u>		
Balance at beginning of the year	3,194,111	2,922,184
Purchases	514,418	457,407
Disposals (Proceeds)	(456,837)	(330,542)
Change in market value of investments	189,386	145,062
Balance at end of the year	3,441,078	3,194,111

Note 9. Plant and equipment

Office Equipment		
At cost	6,534	6,534
Less: Accumulated depreciation	(5,910)	(5,545)
	624	989
Computer Equipment		
At cost	34,829	91,425
Less: Accumulated depreciation	(22,709)	(83,668)
	12,120	7,757
Furniture, Fixtures and Fittings		
At cost	174,505	174,505
Less: Accumulated depreciation	(96,399)	(78,949)
	78,106	95,556
Motor Vehicle		
At cost	229,580	39,669
Less: Accumulated depreciation	(75,137)	(6,364)
	154,443	33,305
Total Plant and Equipment	245,293	137,607

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Office Equipment	Computer Equipment	Furniture, Fixtures & Fittings	Motor Vehicle	Total
	\$	\$	\$	\$	\$
Balance at beginning of year	989	7,757	95,556	33,305	137,607
Additions	–	12,556	–	133,636	146,192
Write down	–	(1,322)	–	–	(1,322)
Depreciation expense	(365)	(6,871)	(17,450)	(12,498)	(37,184)
Balance at end of year	624	12,120	78,106	154,443	245,293

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 10. Right-of-use assets

	2024	2023
	\$	\$
Right-of-use assets – building lease	366,688	366,688
Accumulated amortisation	(198,210)	(158,568)
	168,478	208,120
Right-of-use assets – motor vehicle lease	–	135,297
Accumulated amortisation	–	(78,880)
	–	56,417
Total Right-of-use assets	168,478	264,537

Movements in carrying amounts

Movement in the carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year.

	Building Lease	Motor Vehicles	Total
	\$	\$	\$
Balance at beginning of year	208,120	56,417	264,537
Amortisation	(39,642)	(24,841)	(64,483)
Disposals	–	(31,576)	(31,576)
Balance at end of year	168,478	–	168,478

Note 11. Intangible assets

	2024	2023
	\$	\$
Database System and Software	707,170	707,170
Accumulated Amortisation	(661,331)	(645,080)
	45,839	62,090

Movements in carrying amounts

Balance at beginning of year	62,090	78,341
Amortisation	(16,251)	(16,251)
Balance at end of year	45,839	62,090

Note 12. Trade and other payables

Current

Trade payables	119,294	196,592
BAS payable	36,510	27,457
Sundry payables and accrued expenses	62,796	52,010
Member fees in advance	7,919	12,600
	226,519	288,659

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 13. Provisions

	2024	2023
	\$	\$
Current		
Provision for annual leave	119,510	138,086
Provision for long service leave	112,784	97,948
	232,294	236,034
Non-current		
Provision for long service leave	17,185	8,865
	17,185	8,865

Note 14. Lease liabilities

Current		
Office lease liability	30,647	35,359
Motor vehicles lease liability	–	31,141
	30,647	66,500
Non-current		
Office lease liability	146,496	187,435
Motor vehicles lease liability	–	40,959
	146,496	228,394

Note 15: Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the Association is set out below:

	2024	2023
	\$	\$
Aggregate compensation	246,580	303,429

Transactions with related parties

Other than amounts paid to key management personnel there were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by DFK Kidsons Partnership, the auditor of the Association:

	2024	2023
	\$	\$
<i>Audit services</i>		
Audit of the financial statements	13,100	12,600
Other audit related services	9,250	7,040
	22,350	19,640

Note 17. Contingent liabilities and contingent assets

The Association had no specific contingent liabilities or contingent assets as at 30 June 2024 and 30 June 2023.

Note 18. Commitments

The Association had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Note 19. Events after the end of the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 20. Reconciliation of result for the year to net cash inflow / (outflow) from operating activities

	2024	2023
	\$	\$
Comprehensive result for the year	(229,923)	284,552
Non-Cash Movements		
Depreciation and amortisation	117,918	116,657
(Gain) / loss on financial assets	(189,386)	(145,062)
Profit on sale of plant and equipment	(65,461)	(4,000)
Write down of plant and equipment	1,322	262
Movements in assets & liabilities		
(Increase)/decrease in receivables	(2,088)	218,547
(Increase)/decrease in prepayments	1,262	(1,961)
Increase/(decrease) in payables	(62,140)	(63,136)
Increase/(decrease) in provisions	4,580	(7,588)
Net Cash (Outflow)/Inflow in Operating Activities	(423,916)	398,271

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HOLSTEIN-FRIESIAN ASSOCIATION OF AUSTRALIA INC.**

Opinion

We have audited the financial report of Holstein-Friesian Association of Australia Inc. which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of Holstein-Friesian Association of Australia Inc., is in accordance with the *Associations Incorporation Reform Act (Vic) 2012*, including:

- (a) gives a true and fair view of the financial position of the Association as at 30 June 2024, and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures.

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Association'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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 the 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Association'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 Association 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 those charged with governance 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.

DFK Kidsons Partnership

DFK Kidsons Partnership
Chartered Accountants

Melbourne
20 September 2024

Michael L Port

Michael L Port
Partner