



2 October 2018

2017/18 AUDITED FINANCIAL STATEMENT

Dear ALFA Member,

ALFA provided you the 2018 Notice of Annual General Meeting on 10 September 2018, inclusive of the 2017/18 Audited Financial Statement. In that information ALFA's auditor provided a letter explaining that they were awaiting further information of a procedural nature from ALFA's investment fund manager before finalising the Statement.

That information has now been received enabling the auditor to finalise the Statement. As foreshadowed there have been no modifications to the Statement as a result of this information.

For completeness, and in accordance with our requirements, please find enclosed a signed copy of the 2017/18 Audited Financial Statement for your records. There is no action required.

Sincerely,

Christian Mulders

CEO

Australian Lot Feeders' Association

Level 22 MLC Centre
 19 Martin Place
 Sydney NSW 2000
 Australia

Postal Address:
 GPO Box 1615
 Sydney NSW 2001
 Australia

Tel: +61 2 9221 2099 www.pitcher.com.au
 Fax: +61 2 9223 1762 sydneypartners@pitcher.com.au

Pitcher Partners is an association of independent firms
 Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

22 August 2018

To the Members
 Australian Lot Feeders Association Limited
 Level 5
 131 Clarence Street
 SYDNEY NSW 2000

Dear Members

RE: Explanation on why the issuance of the 30 June 2018 financial year end Audit Report of Australian Lot Feeders Association Limited (ALFA) is currently delayed

Pitcher Partners have substantially completed the audit of the financial report of Australian Lot Feeders Association Limited (ALFA) for the year ended 30 June 2018.

We intend on issuing an unmodified audit opinion subject to the receipt and type of audit opinion and review conclusion expressed by the auditors of NMMT Limited. NMMT Limited (the operator) prepares the specified annual investor statements given to ALFA as a client of North Investments.

These statements provide the details of the investment portfolio and cash account held by ALFA at 30 June 2018. The investment portfolio is currently classified as “available for sale financial assets” in the annual report of ALFA. The combined investment portfolio and cash account of \$2,095,561 is 66% of the \$3,175,592 net assets of ALFA as at 30 June 2018.

As Pitcher Partners is not the auditor of NMMT Limited, and the assets in custody at NMMT Limited are significant, we are required to obtain evidence of the effective operation of the internal controls and other relevant accounting procedures as they relate to the specified annual investor statements issued by NMMT Limited to the clients of North Investment.

We have been informed by North Investment that the signed audit report and review conclusion pertaining to the above internal controls is expected to be available 30 September 2018.

Once we have received these reports we shall immediately issue our audit report for circulation to the members of ALFA.

If there are any further queries in relation to the above please feel free to contact me.

Yours faithfully



Sylvia Wallace
 Partner

**AUSTRALIAN LOT FEEDERS'
ASSOCIATION LIMITED**
ABN 16 009 928 018

**Annual Financial Report
for the year ended 30 June 2018**

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

TABLE OF CONTENTS

Directors' Report	1 - 10
Auditor's Independence Declaration	11
Statement of Profit and Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to Financial Statements	16 - 26
Directors' Declaration	27
Independent Auditor's Report	28 - 30

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report together with the financial report of Australian Lot Feeders' Association Limited for the year ended 30 June 2018 and auditor's report thereon.

Directors names

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

Therese Herbert
James Cudmore (Resigned 2 November 2017)
Scott Braund
Grant Garey
Trevor John Hinck
Barbara Madden
Bryce Camm
Paul Vogt
Anthony Fitzgerald
Christopher Fenwicke
Tony Batterham
James Palfreeman
Sherrill Stivano (Resigned 22 December 2017)
Stephen Martin (Appointed 2 November 2017)

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

Company Particulars

Australian Lot Feeders' Association Limited, incorporated and domiciled in Australia, is a public company limited by guarantee. The address of the registered office and principal place of business is:

Level 5, 131 Clarence Street
SYDNEY NSW 2000

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Christian Mulders (Appointed 31 October 2016)

Principal activities

The principal activity of Australian Lot Feeders' Association Limited during the financial year was to act as a representative of the lot feeding industry.

No significant change in the nature of these activities occurred during the year.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Provide advocacy on behalf of the cattle feedlot sector to Government and other industry stakeholders;
- Determine the funding priorities for the grain fed cattle transaction levy with respect to research and development, marketing, animal health; and residue management programs;
- Keep members informed regarding legislative developments and other issues that impact upon their respective businesses;
- Undertake a range of industry development activities to improve standards, management practices, industry reputation and integrity;
- Organise events which inform and educate the cattle feedlot sector; and
- Service individual membership needs.

The company's long-term objectives are to continue to provide leadership and services to ensure a sustainable and prosperous Australian grain fed beef industry.

To achieve these objectives, the entity has adopted the following strategies:

- a. Present Australian Lot Feeders' Association Limited as a preferred and desirable employment option and career destination in order to attract and retain quality staff.
- b. Ensure the provision of satisfactory feedlot industry training which meets the needs of the sector.
- c. Provide relevant and timely information to members regarding legislative, industry and R&D developments.
- d. Organise industry events which provide relevant information, updates, knowledge and networking opportunities for the feedlot industry.
- e. Ensure that Australian Lot Feeders' Association Limited meets its legislative and corporate governance responsibilities but continually improves upon its performance in this area over time.
- f. Ensure the continued ongoing financial sustainability of Australian Lot Feeders' Association Limited.
- g. Maximise Australian Lot Feeders' Association Limited membership so the organisation continues to adequately represent the interests of the industry.
- h. Encourage continued active participation of leading lot feeders within the Australian Lot Feeders' Association representative structure.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Likely developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company.

Company performance

The Company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements.

The net surplus of the company for the year ended 30 June 2018 was \$236,484 (2017: \$91,478).

Dividends paid, recommended and declared

The Constitution of the company does not permit the payment of dividends.

After balance date events

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

Information on directors

Therese Herbert (President/Director)	
Qualifications	Bachelor of Arts (ANU), Graduate Diploma of Education (University of NSW), Master of Letters (UNE).
Experience	Tess became a Director of Gundamain Feedlot in 2002, Coonamble feedlot in 2005 and Ladysmith feedlot in 2010. She joined ALFA as a Director in January 2009. Tess became ALFA Vice President on 11 October, 2012. Tess became president in September 2015.
Special responsibilities	President. Executive Committee Chair. Member of Marketing, Trade & Market Access and Animal Health and Welfare Committees and ALFA Antimicrobial Stewardship Working Group. Red Meat Advisory Council Director, Safemeat Partnership Partner.

James Cudmore (Vice President/Director)	
Qualifications	Bachelor of Science (University of Queensland), Fellow of Australian Institute of Company Directors.
Experience	Jim began his feedlot career initially with Mitsubishi Australia then with Kerwee Lot Feeders Pty Ltd. He has been a Director of ALFA since October 2005, and was a Director of Kerwee Lot Feeders Pty Ltd and Stockyard beef from 2005 until July 2012. He became ALFA President in October 2008 and a Director on the Red Meat Advisory Council in November the same year. Jim became Immediate Past President on 11 October 2012. Jim resigned from ALFA Council and its Committees on 2 November 2017.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED

ABN 16 009 928 018

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

Information on directors (Continued)

James Cudmore (Vice President/Director) (continued)	
Special responsibilities	Jim held the positions of Research & Development Committee Chair, Member of the Executive, Marketing, Trade and Market Access; and Feedlot Management Committees. Jim resigned from these positions on 2 November 2017. Jim holds the Feedlot Industry Accreditation Committee Chair and is also an external participant on the ALFA Antimicrobial Stewardship Working Group.

Scott Braund (Director)	
Qualifications	Bachelor of Business (Agricultural Commerce) (Sydney University).
Experience	Scott began his feedlot industry career with Cargill in 1992 becoming feedlot manager in 1999. In 2005 he joined Mort & Co Lot Feeders in the position of Manager, Feedlots and Farming. He became an ALFA Director in 2001 and was Treasurer from October 2006 to September 2015.
Special responsibilities	Feedlot Management Committee Chair. Member of the Animal Health & Welfare, Environment and Membership, Events & Industry Capacity Committees.

Grant Garey (Vice President/Director)	
Qualifications	Bachelor of Rural Science (UNE).
Experience	Grant joined Sandalwood feedlot in 1994. In 2002 he became Operations Manager at Cargill's Jindalee feedlot and then Feedlot Manager in 2004 and General Manager, Livestock in 2007. Following the Cargill/ Teys joint venture announcement in May 2011, Grant became General Manager Feedlots. Grant first became a Director at ALFA in September 2005. He resigned as a Director in September 2011 and then rejoined in April 2012 to fill a casual vacancy. Grant became Vice President on 11 October 2012.
Special responsibilities	Vice President and member of the Executive Committee. Marketing, Trade & Market Access Committee Chair. Member of the Research & Development, and Environment Committees. Australian Meat Industry Language Standards Committee and MSA Taskforce Representative. Member of the ALFA Antimicrobial Stewardship Working Group.

Trevor John Hinck (Director)	
Experience	Trevor is the Director, and owner of a broad Acre cropping farm and feedlot in the wheat belt of Western Australia. The business has been operating for 34 years. Trevor also owns and operates Kerrigan Feedlot, which commenced in 2000, In 2002, Trevor created and developed the Kerrigan Valley Beef brand which continues to grow annually.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Information on directors (Continued)

Trevor John Hinck (Director) (continued)	
Experience	Trevor is currently the WALFA President having been in this role for the past three years and a committee member since 2008. Trevor has also been on the board of Q lamb and have held numerous positions on committees. Trevor joined the ALFA Council in 2015.
Special responsibilities	Member of the Feedlot Management, Environment and Feed Commodities & Nutrition Committees.

Barbara Madden (Director)	
Qualifications	Bachelor of Business (QUT), Graduate - Australian Institute of Company Directors.
Experience	Barb is the co-owner and Financial Controller for the Smithfield Group, a large multi-faceted family business, operating companies within the beef cattle lot feeding, backgrounding, beef exports, logistics and property development and management areas. Barb has extensive experience in financial, managerial and taxation accounting and auditing. Barb was the Financial Controller for the Cherbourg Aboriginal Shire Council for many years and also has vast experience in community planning, resourcing and engagement with particular emphasis on rural and Indigenous communities.
Special responsibilities	Treasurer. Executive Committee member. Member of the Membership, Events & Industry Capacity and Feedlot Management Committees.

Bryce Camm (Treasurer/Director)	
Qualifications	Bachelor of Business Administration, Bachelor of Communications (Business) Bond University.
Experience	Bryce joined Camm Agricultural Group's Wonga Plains Feedlot in 2007. He is a director of the Camm Agricultural Group and a Director of Beef Australia. Bryce joined ALFA as a Director in August 2011.
Special responsibilities	Vice President and member of the Executive Committee. Environment Committee Chair. Member of Marketing, Trade & Market Access, and Membership, Events & Industry capacity Committees.

Paul Vogt (Director)	
Experience	Paul held the position of Managing Director of Iranda Beef in Tintinara, Upper South East South Australia until May 2018 and continues to be associated with the Iranda Beef business. Paul has a family history in the South Australian Meat and Livestock industry that reaches back over four generations. He began as a trainee livestock buyer with Metro Meat Ltd in 1987 working his way into trading roles and finally starting his own commodities

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED

ABN 16 009 928 018

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

Information on directors (Continued)

Paul Vogt (Director) (continued)	
Experience	trading business in 1998. At this time he also became involved in the family farming and feedlot operations at Tintinara. Paul was instrumental in the planning, design and construction of the newly created feedlot at Iranda. Paul joined ALFA as a Director in 2011.
Special responsibilities	Membership, Events & Industry Capacity Committee Chair. Member of Feed Commodities & Nutrition and Environment Committees.

Anthony Fitzgerald (Vice President/Director)	
Qualifications	Diploma Emerald Agricultural College Animal Husbandry & Agriculture and Business Management.
Experience	Tony graduated from Emerald Agricultural College specialising in Animal Husbandry and Engineering. After gaining diplomas in Agriculture and Business Management, he started his career with Stanbroke within the Brahman Bull Breeding division. He went on to manage the agricultural assets of a Japan based company which undertook mixed farming, cattle breeding, feed lotting & beef processing. During this period he sat on the Board of the Australian Wagyu Association for 5 years, serving as its President for 2 years. In 2010 Tony joined Elders Meat & Livestock Trading feedlot division as Manager of their Killara feedlot at Quirindi and was appointed to the role of Senior Feedlot Manager in 2011. Tony joined ALFA as a Director in December 2011.
Special responsibilities	Vice President and member of the Executive Committee. Research & Development Committee Chair. Member of the Membership, Events and Industry Capacity, Environment, and Feedlot Management Committees. Member of the ALFA Antimicrobial Stewardship Working Group.

Christopher Fenwicke (Director)	
Qualifications	Bachelor of Agricultural Economics (University of New England), Masters of Agriculture (University of New England), Graduate Diploma in Project Management (University of New England).
Experience	Following the completion of his Bachelor degree, Christopher first worked at Hortons feedlot in Colorado US before returning to Australia in 1995 as heat stockman for AMH's Caroon feedlot. He then spent five years as Operations Manager at Myola feedlot and then feedlot manager at ACC's Brisbane Valley feedlot. Christopher was subsequently promoted to Division Manager of ACC's two feedlots, a position he held for four years before becoming feedlot manager at Nippon's Whyalla feedlot in 2006. He has been General Manager and Director of Whyalla beef since 2007 and a Director of ALFA since October 2013.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED

ABN 16 009 928 018

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

Information on directors (Continued)

Christopher Fenwicke (Director) (continued)	
Special responsibilities	Feed Commodities & Nutrition Committee Chair. Member of Marketing, Trade & Market Access and Research & Development Committees.
Tony Batterham (Director)	
Qualifications	Bachelor of Veterinary Science (University of Sydney), Graduate Diploma of Veterinary Clinical Studies (University of Sydney), Graduate AICD.
Experience	Following completion of his Bachelor's degree, Tony worked in mixed dairy practice at Gloucester, NSW. In 1998, Tony accepted an internship position at the (Sydney) University Teaching Hospital Camden. In 2001, he worked as an associate veterinarian at Quirindi Veterinary Clinic (QVC) and ultimately purchased the practice in 2003. In 2004, Tony purchased the associated feedlot practice at QVC and started the stand-alone beef feedlot consultancy Quirindi Feedlot Services and has been a director since this time. Quirindi Feedlot Services provides beef feedlot animal health consultative services, staff training and feedlot health benchmarking services to approximately 40% of the Australian feedlot industry. Tony became an ALFA director in September 2015.
Special responsibilities	Member of Animal Health & Welfare, Research & Development, Feedlot Management, and Membership, Events & Industry Capacity Committees. Member of the ALFA Antimicrobial Stewardship Working Group.
James Palfreeman (Director)	
Qualifications	B Sc Agr (Univ Syd), MBA (UNE).
Experience	After graduating James commenced his career in the feedlot industry in 1993 as the Feedmill Supervisor at Rangers Valley Cattle Station. During this time he completed an MBA majoring in Agribusiness. In 2003 he was appointed Feedlot Manager at Nippon Meat Packers' Whyalla Feedlot. In 2006 James joined AMH as Feedlot Manager – Prime City in the Riverina. In 2007 JBS Friboi purchased AMH. Subsequent to this he moved to the JBS Corporate Office in Brisbane assuming the role of Operations Manager for all the JBS feedlots and now holds the position of Manager Feedlots within that organisation. James was an external representative on the R&D Committee prior to becoming a Director of ALFA on 2 February 2015.
Special responsibilities	Animal Health and Welfare Committee Chair. Member of Feed Commodities & Nutrition, Marketing, Trade & Market Access and Research & Development Committees. Chair of the ALFA Antimicrobial Stewardship Working Group.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Information on directors (Continued)

Sherrill Stivano (Director)	
Qualifications	Diploma in Agriculture and Agribusiness Management. Graduate member of the AICD.
Experience	Sherrill is a joint proprietor of Bellevue Feedlot which is located near Roma in South West Qld. Sherrill & her husband Justin have owned and operated Bellevue feedlot since 2003 and specialise in custom feeding cattle to suit clients requirements. They are current in an expansion phase. She also has 12 years of experience in the Rural & Agribusiness Banking industry. Sherrill is also a graduate of the Australian Rural Leadership Foundation's TRAIL program. Sherrill became a Councillor in September 2015. Sherrill resigned from ALFA Council and its Committees on 22 December 2017.
Special responsibilities	Sherrill held the positions of Member of Membership, Events & Industry Capacity; Community Engagement, Animal Health & Welfare, and Feedlot Management Committee Sherrill resigned from these positions on 22 December 2017.

Stephen Martin (Director)	
Qualifications	Degree in Rural Science with honours and a post graduate certificate in Ag Economics, at the University of New England.
Experience	Steve is the General Manager at Kerwee Lot Feeders Pty Ltd on Queensland's Darling Downs. He operates a 20,200 SCU feedlot and backgrounding operations to supply the Stockyard branded beef business. Prior to that Steve was the livestock and farm manager at Elders Killara feedlot having 11 years in the industry. In 2013 Steve was awarded the Australian Young lot Feeder Achievement award and in 2017 he completed the Australian Rural Leadership Program with the support and sponsorship of ALFA.
Special responsibilities	Member of Feedlot Management, Animal Health & Welfare, Marketing, Trade & Market Access and Environment Committees.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Therese Herbert	4	4
James Cudmore	1	1
Scott Braund	4	4
Grant Garey	4	3
Trevor John Hinck	4	3
Barbara Madden	4	4
Bryce Camm	4	3
Paul Vogt	4	4
Anthony Fitzgerald	4	3
Christopher Fenwicke	4	3
Tony Batterham	4	4
James Palfreeman	4	2
Sherrill Stivano	2	0
Stephen Martin	3	2

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under Australian law.

Insurance Premiums

During the financial year, the company has paid premiums in respect of directors' and officers' liability insurance contracts for the year 30 June 2018 and since the end of that financial year, the company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 30 June 2018. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contracts.

Indemnification of officers

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the company.

Indemnification of auditors

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the company.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Members guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2018 the collective liability of members was \$4,420 (2017: \$4,680).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11 and forms part of the Directors' Report for the financial year ended 30 June 2018.

Proceedings on behalf of the Company

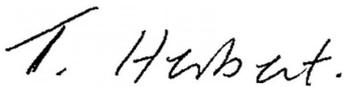
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Rounding of Amounts to Nearest Dollar

In accordance with ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191, the amount in the Directors' Report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of the Board of Directors.

Signed on behalf of the board of directors



Therese Herbert

Director

Dated in Sydney, this 28 day of September 2018.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018**

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001*; and
- any applicable code of professional conduct in relation to the audit.



S WALLACE
Partner

PITCHER PARTNERS
Sydney

28 September 2018

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED

ABN 16 009 928 018

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue	2	<u>1,611,102</u>	<u>1,794,521</u>
Expenses:			
Depreciation and amortisation expense	3	(2,612)	(497)
Employee benefits expense	3	(528,766)	(524,092)
Occupancy expense		(113,661)	(117,923)
Conference and event expenses		(290,730)	(579,545)
Office expenses		(30,101)	(30,215)
Consultancy and Professional Expenses		(19,707)	(50,291)
Council and Secretariat meeting expenses		(160,891)	(159,812)
Technical services expenses		(100,652)	(105,230)
Other expenses		<u>(127,498)</u>	<u>(135,438)</u>
		<u>(1,374,618)</u>	<u>(1,703,043)</u>
Profit for the year		<u>236,484</u>	<u>91,478</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Revaluation		<u>55,488</u>	<u>84,248</u>
		<u>55,488</u>	<u>84,248</u>
Other comprehensive income for the year		<u>55,488</u>	<u>84,248</u>
Total Comprehensive Income		<u>291,972</u>	<u>175,726</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,302,769	773,111
Trade and other receivables	6	226,047	180,284
Other assets	7	214,824	-
Other financial assets	8	50,000	498,601
TOTAL CURRENT ASSETS		<u>1,793,640</u>	<u>1,451,996</u>
NON-CURRENT ASSETS			
Other financial assets	8	1,581,641	1,576,153
Property, plant and equipment	9	21,638	697
TOTAL NON-CURRENT ASSETS		<u>1,603,279</u>	<u>1,576,850</u>
TOTAL ASSETS		<u>3,396,919</u>	<u>3,028,846</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	202,123	129,738
Provisions	11	17,385	14,795
TOTAL CURRENT LIABILITIES		<u>219,508</u>	<u>144,533</u>
NON-CURRENT LIABILITIES			
Provisions	11	1,819	693
TOTAL NON-CURRENT LIABILITIES		<u>1,819</u>	<u>693</u>
TOTAL LIABILITIES		<u>221,327</u>	<u>145,226</u>
NET ASSETS		<u>3,175,592</u>	<u>2,883,620</u>
EQUITY			
Reserves	12	210,830	155,342
Retained Earnings	13	2,964,762	2,728,278
TOTAL EQUITY		<u>3,175,592</u>	<u>2,883,620</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Reserves \$	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2016		71,094	2,636,800	2,707,894
Profit for the Year		-	91,478	91,478
Revaluation		84,248	-	84,248
Total comprehensive income for the year		<u>84,248</u>	<u>91,478</u>	<u>175,726</u>
Balance as at 1 July 2017		155,342	2,728,278	2,883,620
Profit for the Year		-	236,484	236,484
Revaluation		55,488	-	55,488
Total comprehensive income for the year		<u>55,488</u>	<u>236,484</u>	<u>291,972</u>
Balance as at 30 June 2018		<u>210,830</u>	<u>2,964,762</u>	<u>3,175,592</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flow from Operating Activities			
Receipts from Customers		1,547,268	1,793,438
Payments to suppliers and employees		(1,659,245)	(1,871,193)
Investment income received		136,622	122,923
Interest received		29,965	16,125
Net Cash Provided by Operating Activities		<u>54,610</u>	<u>61,293</u>
Cash flow from Investing Activities			
Payment for Property, Plant and Equipment		(23,553)	(400)
Net proceeds / (Payment) for Term Deposits		498,601	(548,601)
Net cash provided by / (used in) investing activities		<u>475,048</u>	<u>(549,001)</u>
Net increase / (decrease) in cash and cash equivalents		529,658	(487,708)
Cash and Cash Equivalent at the Beginning of Financial Year		<u>773,111</u>	<u>1,260,819</u>
Cash and Cash Equivalents at End of Financial Year	14(a)	<u><u>1,302,769</u></u>	<u><u>773,111</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Australian Lot Feeders' Association Limited as an individual entity. Australian Lot Feeders' Association Limited is a company limited by guarantee, incorporated and domiciled in Australia. Australian Lot Feeders' Association Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue

Revenue from the rendering of services is recognised when fees in respect of services provided are receivable.

Membership fees are recognised as revenue when no significant uncertainty as to its collectibility exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to nonmembers.

Revenue from organising and hosting events is recognised in the period in which the events are held.

Investment revenue is recognised when the right to receive has been established.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue (Continued)

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

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

(c) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Financial instruments

Classification

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Available-for-sale

Available-for-sale financial assets include any financial assets not included in the above categories or are designated as such on initial recognition. Available-for-sale financial assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The cumulative gain or loss is held in equity until the financial asset is derecognised, at which time the cumulative gain or loss held in equity is recognised in profit or loss.

Non-listed investments for which the fair value cannot be reliably measured, are carried at cost and tested for impairment.

Held to maturity

Term deposit investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Term deposits are included in current assets, except those with maturities of more than 12 months from the reporting date, which are classified as non-current assets.

A term deposit is recognised on the date when the cash funds are deposited with the bank. The term deposit is derecognised on the maturity date of the deposit.

Term deposits are carried at amortised cost using the effective interest method.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

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

(e) Property, plant and equipment (Continued)

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	Useful lives	Depreciation basis
Office equipment at cost	2.5 - 5	Straight line

(f) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised when the carrying amount of an asset exceeds the asset's recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(g) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(h) Employee benefits (Continued)

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(i) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(k) New or amended Accounting Standards and Interpretations adopted

The entity has adopted all of the new or Amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(l) Rounding of Amounts to Nearest Dollar

In accordance with ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191, the amount in the Financial Report have been rounded to the nearest dollar.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

	2018	2017
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Dividend Income	137,238	122,923
Interest Income	29,965	16,125
Rental Income	17,285	32,089
AHA Reimbursements	138,197	123,014
Membership subscriptions and levies	481,041	451,367
RMAC Funding	185,972	183,881
Sponsorship and events income	459,896	683,917
Technical Services Income	87,252	87,520
Other revenue	74,256	93,685
	<u>1,611,102</u>	<u>1,794,521</u>

NOTE 3: OPERATING PROFIT

Profit before income tax has been determined after:

Net gain on disposal of non-current assets:

Depreciation

- office furniture and equipment

	<u>2,612</u>	<u>497</u>
--	--------------	------------

Bad debts

- trade debtors

	<u>8,500</u>	<u>10,201</u>
--	--------------	---------------

Employee benefits:

- Short term benefits

	<u>431,864</u>	<u>420,102</u>
--	----------------	----------------

- Other employee benefits

	<u>96,902</u>	<u>103,990</u>
--	---------------	----------------

	<u>528,766</u>	<u>524,092</u>
--	-----------------------	-----------------------

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

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

Aggregate compensation

	<u>259,010</u>	<u>252,271</u>
--	----------------	----------------

	<u>259,010</u>	<u>252,271</u>
--	-----------------------	-----------------------

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

	2018	2017
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	163	163
Cash at bank	1,302,606	772,948
	<u>1,302,769</u>	<u>773,111</u>
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	133,047	88,344
Other receivables	93,000	91,940
	<u>226,047</u>	<u>180,284</u>
Impairment of trade receivables		
As at 30 June 2018 (2017: nil) no trade receivables were impaired.		
Impairment of other receivables		
As at 30 June 2018 (2017: nil) no other receivables were impaired.		
NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	214,824	-
	<u>214,824</u>	<u>-</u>
NOTE 8: OTHER FINANCIAL ASSETS		
CURRENT		
<i>Held to Maturity Financial Assets</i>		
Term deposits	<u>50,000</u>	<u>498,601</u>
NON CURRENT		
<i>Available-for-sale financial assets</i>		
At fair value		
Other investments	<u>1,581,641</u>	<u>1,526,153</u>
<i>Held to Maturity Financial Assets</i>		
Term deposits	<u>-</u>	<u>50,000</u>
Total Non-current other financial assets	<u>1,581,641</u>	<u>1,576,153</u>

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

	Note	2018	2017
NOTE 8: OTHER FINANCIAL ASSETS (CONTINUED)		\$	\$
Provision for impairment loss			
There is no provision for impairment loss.			
Reconciliation			
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:			
Opening Fair Value		1,526,153	1,441,905
Revaluation increments		55,488	84,248
Closing fair value		<u>1,581,641</u>	<u>1,526,153</u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
Office equipment:			
- At cost		76,638	53,085
- Accumulated depreciation		(55,000)	(52,388)
		<u>21,638</u>	<u>697</u>
Total property, plant and equipment		<u>21,638</u>	<u>697</u>
(a) Reconciliations			
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year			
<i>Office equipment</i>			
Opening carrying amount		697	794
Additions		23,553	400
Depreciation expense		(2,612)	(497)
Closing carrying amount		<u>21,638</u>	<u>697</u>
NOTE 10: TRADE AND OTHER PAYABLES			
CURRENT			
<i>Unsecured liabilities</i>			
Trade creditors		103,302	58,023
Sundry creditors and accruals		98,821	71,715
		<u>202,123</u>	<u>129,738</u>

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

	Note	2018 \$	2017 \$
NOTE 11: PROVISIONS			
CURRENT			
Employee benefits - Annual Leave	(a)	<u>17,385</u>	<u>14,795</u>
NON CURRENT			
Employee benefits - Long Service Leave	(a)	<u>1,819</u>	<u>693</u>
(a) Aggregate employee benefits liability		<u>19,204</u>	<u>15,488</u>
NOTE 12: RESERVES			
Available for sale financial asset reserve		<u>210,830</u>	<u>155,342</u>

The available for sale financial asset reserve is used to record movements in fair values of financial assets classified as available for sale.

NOTE 13: RETAINED EARNINGS

Retained earnings at beginning of year		2,728,278	2,636,800
Net profit		<u>236,484</u>	<u>91,478</u>
		<u>2,964,762</u>	<u>2,728,278</u>

NOTE 14: CASH FLOW INFORMATION

(a) 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 on hand		163	163
Cash at bank		<u>1,302,606</u>	<u>772,948</u>
		<u>1,302,769</u>	<u>773,111</u>

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
NOTE 15: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		57,291	99,880
- later than one year and not later than five years		-	57,291
		57,291	157,171
		57,291	157,171

The remaining lease commitment relates to the monthly printer charges. The commercial lease expired during the period and is on a month by month basis.

NOTE 16: CONTINGENT LIABILITIES

Contingent liabilities		50,000	50,000
		50,000	50,000

Contingent liabilities represent estimates of potential financial effect of liabilities that may become payable. The Company has guaranteed its debt to National Bank of Australia for guarantees given to third parties.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2018, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2018, of the company.

NOTE 18: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member, or former member within less than 1 year since ceasing to be a member, is required to contribute to a maximum of \$20 each towards meeting any outstandings and obligations of the company.

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Australian Lot Feeders' Association Limited
Level 5
131 Clarence Street
SYDNEY NSW 2000

AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12-26, are in accordance with the *Corporations Act 2001*: and
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company 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.



Therese Herbert
Director

Dated in Sydney, this 28 day of September 2018.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018**

Report on the Financial Report

Opinion

We have audited the financial report of Australian Lot Feeders' Association Limited, "the Company", which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Lot Feeders' Association Limited, is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and 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

The directors are responsible for the other information. The other information comprises the information included in the Company's directors report for the year ended 30 June 2018, 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018**

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 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 - Reduced Disclosure Requirements 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 Company'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 the directors either intend to liquidate the Company or to cease operations, or have 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 the 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 Company'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 Company'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 Company to cease to continue as a going concern.

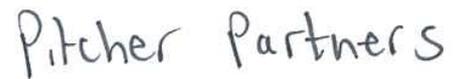
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN LOT FEEDERS' ASSOCIATION LIMITED
ABN 16 009 928 018**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



S WALLACE
Partner



PITCHER PARTNERS
Sydney

28 September 2018