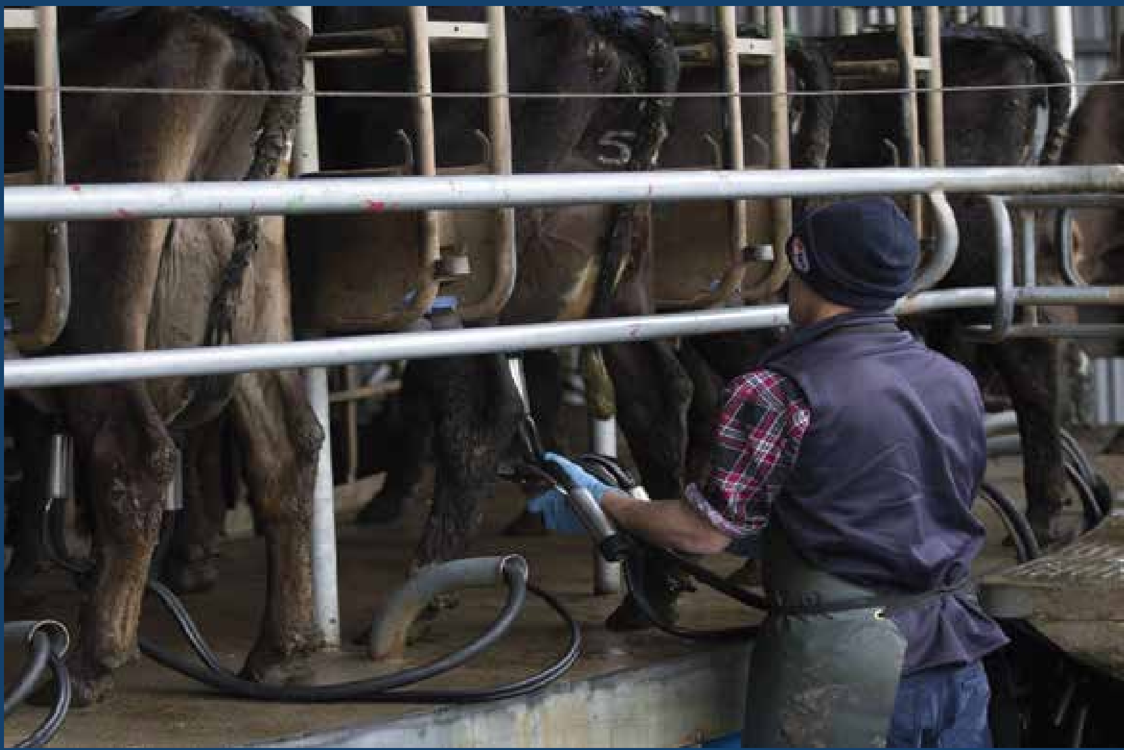
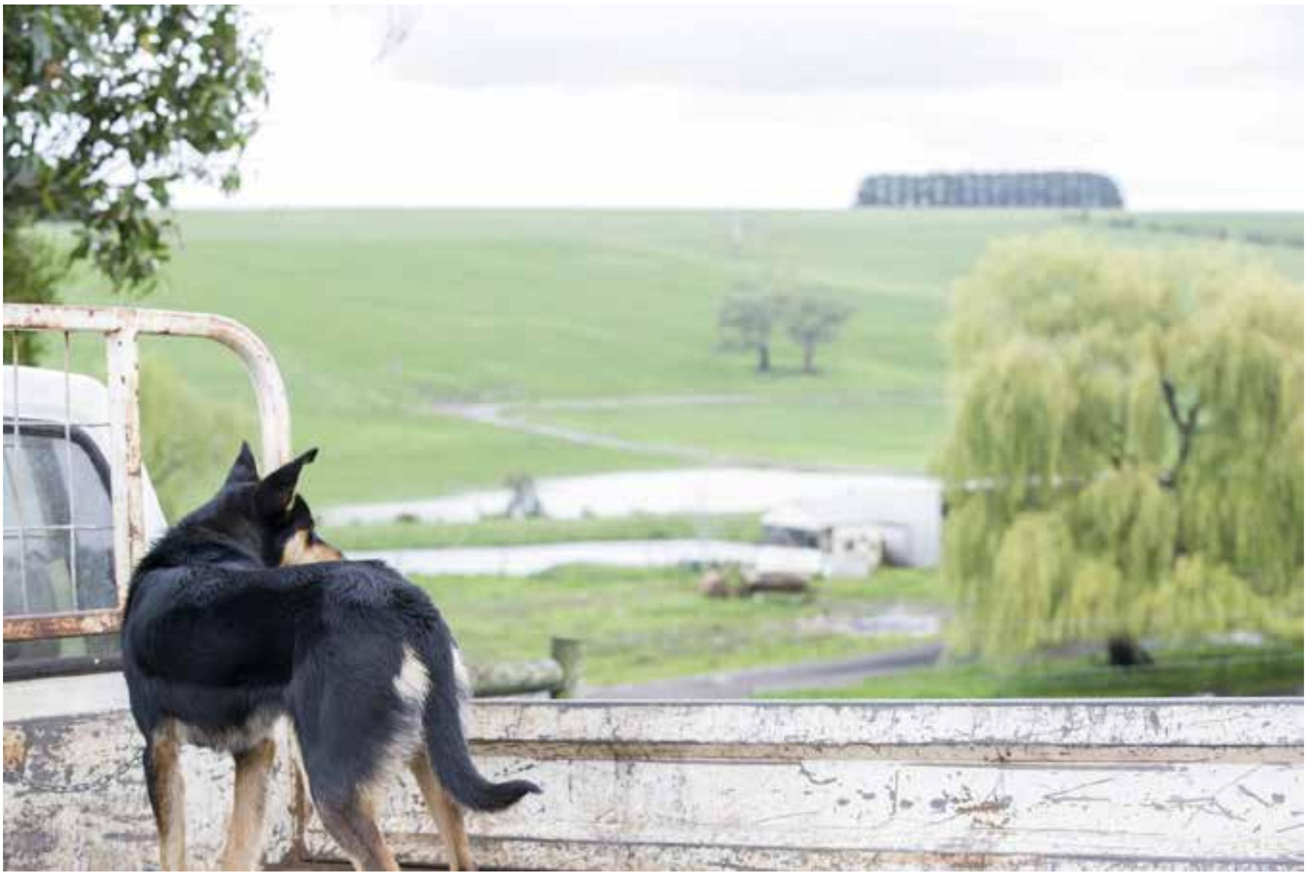
Australian Dairy Farmers Corporation



ADFC Annual Report

Financial Year 2017 - 2018

Index



Australian Dairy Farmers Corporation Limited
ACN 610 590 200
Suite 222A, 757 Bourke Street, Docklands, Victoria, 3008
T: +61 3 9909 2208 | E: info@adfc.org.au | W: adfc.org.au

Corporate Directory

Registered office	Principal place of business
Suite 222A	Suite 222A
757 Bourke Street	757 Bourke Street
Docklands Victoria 3008	Docklands Victoria 3008
T: +61 3 9909 2208	T: +61 3 9909 2208
W: adfc.org.au	W: adfc.org.au

Executive Director & Chairman

Scott Sieben

Bank

Australia and New Zealand Banking Group

Directors

Rod Slattery

Darin Blain

Peter Mulheron

Auditor

Grant Thornton Audit Pty Ltd

Company Secretary

(shared role)

Ron Page

Paul Casey

Solicitor

HWL Ebsworth Lawyers

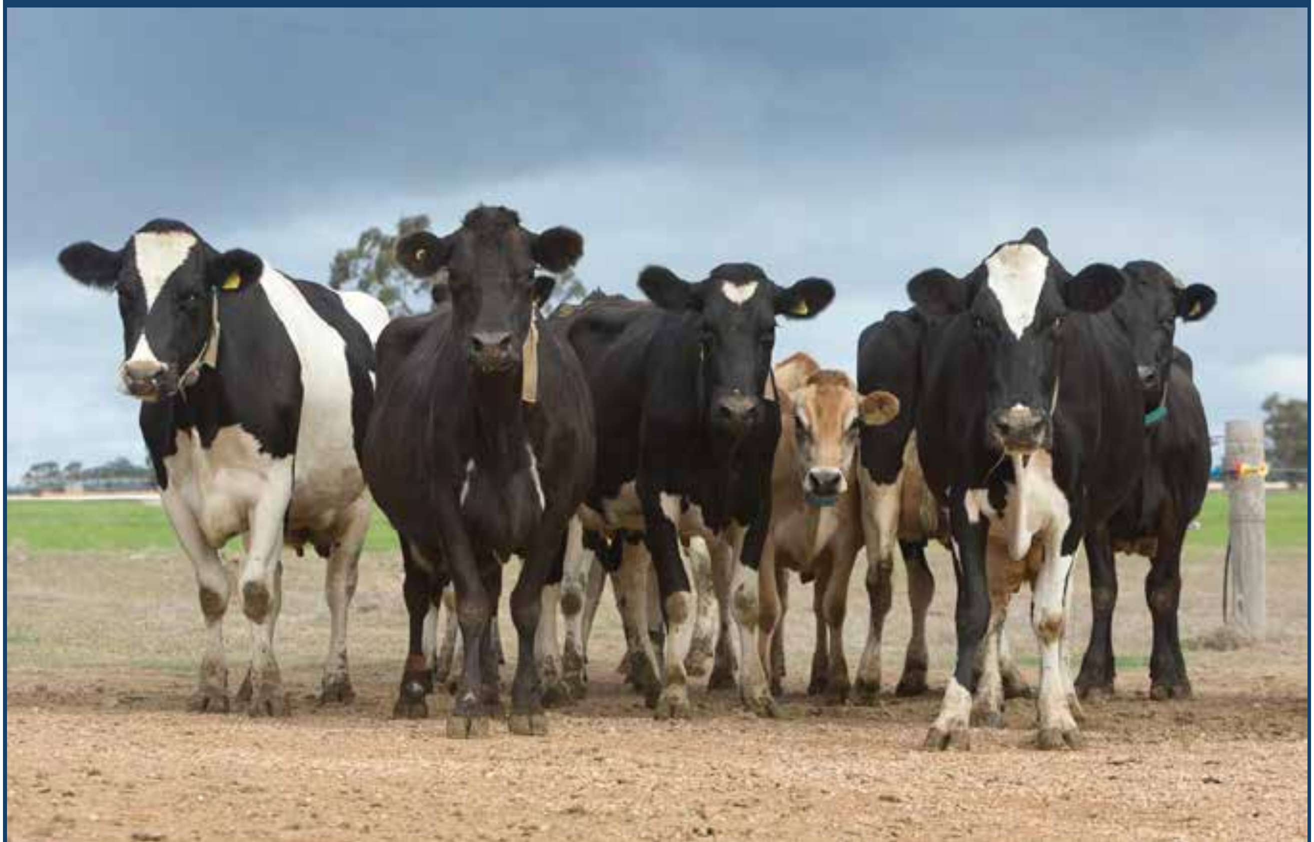
ADFC

Australian Dairy Farmers Corporation (ADFC) is an independent dairy co-operative run by Australian dairy farmers.

Our farmers, based in northern and south west Victoria, supply around 200 million litres of quality milk to ADFC's three key customers. These companies use our milk to make premium dairy products that are sold in Australia and overseas.

ADFC was established in 2012 with a firm vision: to look after dairy farmers and make sure they receive a fair price for their milk. We work with our farmers to give them every opportunity to be profitable so they can grow their businesses with confidence.

The co-op is guided by four values:
Collaboration – we must not compete with our partners, but work together to maximise the efficiency for all
Co-operation – our farmers are all members and shareholders and are prepared to share the risk and success of what we do
Choice - our milk pricing system enables our farmers to choose what is best for them
Cost-effective – a low-cost model underpins everything we do



Chairman & Executive Director's Report

Scott Sieben

Executive Director & Chairman

The 2017-18 financial year brought a whole new challenge to ADFC shareholders / suppliers. The Board and management introduced a new milk pricing structure that clarified our variable supply group into 3 production systems.

A number of supplier meetings were implemented to make sure the business fully informed our farmers of the new structure. We then proceeded to increase the volume required to deliver the contracted requirements to our customers.

ADFC Bulla

ADFC opened its milk price for the ADFC Bulla suppliers with a combined weighted average of $5.74/kg ms with Band 1 at $5.90/kg ms, Band 2 at $5.70/kg ms and Band 3 at $5.45/Kg ms. Our closing price was a combined weighted average of $5.84/kg ms with band 1 at 6.00/kg ms, Band 2 at $5.80/kg ms and Band 3 at $5.55/kg ms

ADFC Procal

ADFC initially opened its milk price for the ADFC Procal farmers at a weighted average of $5.92/kg ms with the same banded structure in place. In September a three-year agreement commenced with Procal providing the direct farmers with a unique pricing structure. All Procal direct farmers signed a three-year contract with a fixed pricing set at $6.20/kg ms for July to December and $6.50/Kg ms for January to June.

June - October

The Board and management welcomed Non-supplier Director Rod Slattery to the Board. ADFC continued to recruit milk supply with the target volume to procure an additional 80 million litres. ADFC announced a retrospective increase in the ADFC Bulla milk price of $0.10/kg ms

November - February

ADFC diligently continued to work with Bulla to agree on a suitable milk supply agreement to extend past the 30th of June 2018. ADFC also held its AGM in Camperdown. At the AGM motions were moved to appoint both Peter Mulheron and Rod Slattery to the ADFC Board which were both unanimously carried. There was also a motion carried to have the dry class shares redeemed to a trust held by ADFC trust account. ADFC as this stage reached the contracted target volume of 225 million litres of milk.

March - June

The intense efforts of ADFC to negotiate a suitable long-term supply agreement with Bulla came to an end. In good faith ADFC had done everything possible to support an agreement yet Bulla chose a different path to purchase farm gate milk. At the same time, Bulla also advised they would not support a final (FY18) step up which ADFC requested. Unfortunately, at the date of this report, we have been unable to resolve the matter and the Board has been required to initiate appropriate legal steps to progress the matter. At the upcoming AGM the Chairman will update the shareholders of the position and when appropriate communicate developments to shareholders.

Beenish Shiraz, ADFC Finance Manager, who had been with ADFC from when we signed our first major customer, decided to leave ADFC to continue to grow her career. On behalf of the Board and management at ADFC we wish Bee future success. As a consequence, ADFC warmly welcomed Paul Casey joining the management team as ADFC's new Finance Manager.

As we continue to grow our supply group and potentially secure new customers, ADFC continues to remain committed to our farmers that supply us quality milk. Excitingly, ADFC now directly manages all our milk and logistics as we work to develop and grow the business that strives to provide a future for us all.

I would sincerely like to thank the ADFC Board and management for a very successful year, Darin Blain, Peter Mulheron, Rod Slattery, Ron Page, Bee Shiraz and Dhana Quinn. Your commitment and passion to ADFC is integral to our collective success. To my wife, Jade, and my family, thank you for your ongoing support and making sure our family farming business together with my off-farm commitments are met with due diligence.

Finally, our farmers, a big thank you! Without you we simply do not have a business. We have welcomed new famers and said goodbye to some farmers but we will continue to work hard and make sure we are in business to provide an open and transparent supply group to return a competitive farm gate milk price for both now and into the future.

Yours Sincerely

Scott Sieben
Chairman & Executive Director

ADFC Board

L to R: Rod Slattery, Darin Blain, Scott Sieben and Peter Mulheron

Chairman and Executive Director – Scott Sieben

Scott Sieben has been on the ADFC Board since its inception in 2012 and accepted the Chairman's position in February 2013 and the Executive Director role in 2017. Scott is a member of the Australian Institute of Company Directors and is studying for his Diploma of Business Management. Scott and his wife, Jade, have a dairy farm at Torrumbarry in Northern Victoria where they milk 230 cows on 180 hectares.

Director – Darin Blain

Darin Blain was elected to the ADFC Board in November 2016. Darin has more than 25 years of experience as a dairy farmer and he and his wife, Sally, currently milk around 270 cows on 220 hectares in Timboon in Victoria's south west. He also has extensive experience working in the broader dairy industry and has provided insight and advice to businesses and farmers about budgets, commodity markets and forecasts.

Director – Peter Mulheron

Peter joined the ADFC Board in April 2017. He has been a dairy farmer for over 38 years and took over the family farm 21 years ago – a farm that had been in the family for over 100 years. Peter and his wife, Trish, and their 21-year-old son James, milk around 220 cows at Swan Marsh in south west Victoria. Peter is committed to ADFC's vision, and is keen to help grow and develop the business.

Independent Director – Rod Slattery

Rod joined the ADFC Board in June 2017 as a Non-Supplier Director. Rod is a Chartered Accountant and has over 30 years of experience working in a professional environment, with PPB Advisory (17 years) and PwC (18 years). He has provided strategic advice to all levels of agribusiness, in consultation with financiers and advisors to achieve the best outcomes for all stakeholders. Rod is based in regional Victoria (small farm on the Bellarine Peninsula) and is sensitive to the economic and personal impact unique to dairy families and local communities.

ADFC Management

L to R: Ron Page, Scott Sieben and Paul Casey

Executive Director – Scott Sieben
Scott Sieben has been on the ADFC Board since its inception in 2012, accepting the Chairman's position in 2013 and the Executive Director role in 2017. Scott is a member of the Australian Institute of Company Directors and is studying for his Diploma of Business Management.

Operations Manager & Company Secretary – Ron Page
Ron Page has been with ADFC from the outset and has helped create the unique company that it is today. Ron holds a diploma from the Australian Institute of Company Directors and has served on numerous state government and non-government boards. Ron's commitment to primary industry is supported by a Master of Sustainable Agriculture and a Bachelor of Applied Science (Agriculture). He has worked with dairy farmers throughout Australia for the last two decades and is well placed to provide good governance within ADFC.

Finance Manager & Company Secretary – Paul Casey
Joining ADFC in June 2018, Paul is a Fellow of the Chartered Institute of Certified Accountants. For the past 24 years Paul has worked in senior finance positions for large multinationals, SMEs and Federal Government entities in London, Melbourne and Abu Dhabi. This experience includes a variety of industries including the construction, manufacturing, advertising, Not for Profit and Government sectors

Board Advisory Committee

The ADFC Board Advisory Committee members are ADFC shareholders from both south west and northern Victoria. The committee is a great resource for the ADFC Board. The members provide valuable feedback and offer advice regarding board-level decisions.

During the 2017-18 financial year, the following people generously offered their time to serve on the committee: Andrea Thompson, Alana Brennan, Craig Bennett and Rod Sheen.

Directors' Report

The Directors of Australian Dairy Farmers Corporation Ltd (ADFC) present their report together with the financial statements of the Consolidated Entity, being Australian Dairy Farmers Corporation Ltd (the Company) and its' controlled entity (the Group) for the year ended 30 June 2018 and the independent Audit Report thereon.

DIRECTORS

The following persons were directors during the financial year and up to the date of this report:

- Scott Sieben - Chairman
- Darin Blain
- Peter Mulheron
- Rod Slattery

See page 6 for the biographies of the current board members

PRINCIPAL ACTIVITIES

ADFC is an unlisted public company that is owned and run by Australian dairy farmers. There have been no significant changes in the nature of these activities during the year.

REVIEW OF OPERATIONS

Profit from continuing operations after income tax was $191,042 (2017: $163,151).

Revenue for the year has increased by 77% from $55,699,974 to $98,811,193 which was driven by two main factors. The first, and main reason, was the increased milk volume requirements during the year from our customers. The second was due to the overall improvement in milk price from the previous year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year a subsidiary of Australian Dairy Farmers Corporation Ltd was incorporated, ADFC Nominees Pty Ltd (ACN. 622 102 854). The sole purpose of establishing this subsidiary is to act as trustee for conversion of all ordinary shares to dry ordinary shares in ADFC once a farmer shareholder ceases supplying ADFC i.e. once a farmer shareholder ceases supply they are ineligible to continue to be an ordinary shareholder of ADFC as per the entity's constitution (clause 3.2) The ordinary shares are converted to a dry shareholder class of shares and bought by ADFC Nominees Pty Ltd where the trustees will pay the face value of the ordinary share back to the ineligible shareholder.

DIVIDENDS

There were no dividends paid or declared for the year ended 30 June 2018.

SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the Company's operations in future financial years;
- the results of those operations in future financial years; or
- the Company's state of affairs in future financial years.

FUTURE DEVELOPMENTS

The Company expects to continue operating as an ongoing entity and it is expected that new supply arrangements will be entered into with existing and new customers.

Directors' Report

UNISSUED SHARES OR ISSUED SHARES UNDER OPTION

There were no unissued shares or issued shares under option during or since year end.

ENVIRONMENTAL LEGISLATION

The Company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

COMPANY SECRETARIES

Ron Page and Paul Casey (appointed on 28 June 2018) remain as the Company Secretaries as at the date of this report.

INDEMNIFICATION AND INSURANCE

During the financial year, the Company paid a premium to insure past and present directors and officers. The insurance contract prohibits further disclosure.

In addition, the Company has indemnified past and present directors and officers of the Company. The indemnity covers legal and other costs incurred in defending certain civil or criminal proceedings that may be brought against the directors or officers while acting in that capacity.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

MEETINGS OF DIRECTORS

The number of eligible board meetings held and attended by each Director during the year was:

	Board Meetings	
	A	B
Scott Sieben	10	10
Darin Blain	10	10
Peter Mulheron	10	10
Rod Slattery	10	10

Column A – The number of meetings attended.

Column B – Indicates the number of meetings the Directors were eligible to attend.

Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2018 is included on page 11 and forms part of the Directors' Report.

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

Scott Sieben
Chairman
Melbourne, 26 October 2018

Darin Blain
Director

Collins Square, Tower 1
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Australian Dairy Farmers Corporation Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Australian Dairy Farmers Corporation Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Pititto
Partner - Audit & Assurance

Melbourne, 26 October 2018

Corporate Governance

THE BOARD OF DIRECTORS

Board composition

The board comprises 4 directors: 3 farmer directors and 1 non-supplier director.

The chairman is elected by the board in the first board meeting following the AGM. Directors are generally subject to re-election every four years.

Board responsibilities

The board is responsible to members for the overall governance of the Company and aims to carry out its responsibilities to create and build value for the benefit of all members.

The board recognises its responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's members. Directors and members of board committees have access to the advice of external experts when required. Requests for advice are approved by the board and advice, when obtained, is made available to the whole board.

The board is responsible to members for the overall governance of the Company and aims to carry out its responsibilities to create and build value for the benefit of all members.

The board typically meets on a monthly basis. In addition, the board has established the following committees to assist with the execution of its duties as well as allow for more detailed consideration of issues. Each committee has a charter which has been approved by the board. Details of board and committee meetings are provided in the Directors' report.

AUDIT, FINANCE AND GOVERNANCE COMMITTEE

The committee is comprised of four directors appointed by the board, and is chaired by a director who is not the chairman of the board.

Composition

The committee currently comprises:

Peter Mulheron

Darin Blain

Rod Slattery

Scott Sieben

The Committee did not meet during the year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018	Note	2018	2017
		$	$
Sales revenue		**98,811,193**	55,699,974
Other income	2	**19,049**	8,805
Total revenues		**98,830,242**	55,708,779
Cost of materials		**(97,501,500)**	(54,350,151)
General expenses	2	**(400,994)**	(427,701)
Finance expenses		**(24,167)**	(12,963)
Employee benefits expenses	2	**(558,740)**	(608,754)
Motor vehicle expenses		**(40,794)**	(38,199)
Depreciation and amortisation expenses		**(26,902)**	(34,124)
Total expenses		**(98,553,097)**	(55,471,892)
Profit/(loss) from continuing operations before income tax		**277,145**	236,887
Income tax benefit/(expense)	3	**(86,103)**	(73,736)
Profit/(loss) from continuing operations after income tax		**191,042**	163,151
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year attributable to members of the Group		**191,042**	163,151

The above statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2018	Note	2018	2017
		$	$
Current assets			
Cash and cash equivalents	4	**779,911**	496,091
Trade and other receivables	5	**8,889,371**	6,359,329
Income Tax Receivable	3	**15,586**	-
Other assets	6	**33,117**	1,004
Total current assets		**9,717,985**	6,856,424
Non-current assets			
Intangible assets	7	**74,646**	38,285
Plant & equipment	8	**3,568**	3,425
Deferred tax asset	9	**83,742**	113,125
Total non-current assets		**161,956**	154,835
Total assets		**9,879,941**	7,011,259
Current liabilities			
Trade and other payables	10	**8,868,625**	6,335,956
Provisions	11	**22,222**	15,788
Income tax payable	3	**-**	57,007
Total current liabilities		**8,890,847**	6,408,751
Total liabilities		**8,890,847**	6,408,741
Net assets		**989,094**	602,508
Equity			
Share capital	19	**468,332**	272,788
Retained earnings		**520,762**	329,720
Total equity		**989,094**	602,508

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Share capital	Retained earnings/ (Accumulated losses)	Total
		$	$	$
Balance at 30 June 2016		222,258	166,569	388,827
Profit for the year		-	163,151	163,151
Other comprehensive income		-	-	-
Total comprehensive income/(loss)		-	163,151	163,151
Issue of Share Capital	19	23	-	23
Issue of redeemable preference shares	19	74,505	-	74,505
Share issue costs (net of tax benefit)	19	(23,998)	-	(23,998)
Balance at 30 June 2017		272,788	329,720	602,508
Profit for the year		-	191,042	191,042
Other comprehensive income		-	-	-
Total comprehensive income/(loss)		-	191,042	191,042
Issue of ordinary share capital	19	34	-	34
Issue of dry class ordinary share capital	19	15	-	15
Issue of redeemable preference shares	19	235,000	-	235,000
Redemption of redeemable preference shares	19	(39,505)		(39,505)
Share issue costs (net of tax benefit)	19	-	-	-
Balance at 30 June 2018		468,332	520,762	989,094

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018	2017
		$	$
Cash flows from operating activities			
Receipts from customers		**96,253,637**	53,929,262
Payments to suppliers and employees		**(95,987,093)**	(53,540,894)
Interest received/ (paid)		**19,049**	8,805
Income tax received/(paid)		**(133,913)**	(132,474)
Net cash (used in)/from operating activities	18	**151,680**	264,699
Cash flows from investing activities			
Purchase of plant & equipment		**(2,335)**	(181)
Purchase of intangible assets		**(61,069)**	(50,000)
Net cash used in investing activities		**(63,404)**	(50,181)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	19	**49**	23
Proceeds from issue of redeemable preference shares	19	**195,495**	74,505
Payments for share issue costs	19	**-**	(34,283)
Net cash from/(used in) financing activities		**195,544**	40,245
Net increase/(decrease) in cash and cash equivalents			
Net increase/(decrease) in cash and cash equivalents for the year		**283,820**	254,763
Cash and cash equivalents at the beginning of the financial year		**496,091**	241,328
Cash and cash equivalents at the end of the year	4	**779,911**	496,091

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial report is for Australian Dairy Farmers Corporation Ltd (formerly Australian Dairy Farmers Co-operative Limited) ('ADFC' or the 'Company'), an unlisted public company incorporated and domiciled in Australia and is the groups ultimate parent.

(a) Basis of preparation

These consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Australian Dairy Farmers Corporation Ltd is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 25 October 2018.

These consolidated financial statements have been prepared on an accrual basis and are based on historical cost modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and its subsidiary as of 30 June 2018. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiary has a reporting date of 30 June 2018.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(c) Going concern basis of accounting

As outlined in Note 23, the Group expects to continue operating as an ongoing entity and will enter into new supply agreements with existing and new customers as and when appropriate.

At the date of this report Heads of Agreement have been reached with all customers and the formal contracts are expected to be exchanged in the near future.

The financial statements of the Group do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities, which might be necessary should the Group not be able to continue as a going concern.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions which are subject to an insignificant risk of change in value.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value, which is typically the invoice value, and are subsequently measured at amortised cost less provision for impairment. Trade and other receivables are generally due for settlement within 30 days.

The collectability of receivables is reviewed on an ongoing basis and a provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(f) Intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

One trademark was established and registered during FY18. This was capitalised during the financial year and is recognised on the basis of the costs incurred to establish is not being amortised. Its value will be remeasured on an annual basis to determine if impairment has occurred.

All computer software license assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

Notes to the Consolidated Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Software: 4 years

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(g) Trade and other payables

Trade creditors and accruals typically represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

A sale is recorded when the goods have been delivered to and accepted by the customer or its agent and collectability of the related receivable is probable.

(ii) Interest revenue

Interest income is recognised on a time proportion basis using the effective interest method.

(j) Members' share capital

Ordinary shares are initially recorded at fair value and are subsequently measured at amortised cost. As a result, the liability is measured at $1.00 per share. When ordinary shares are repurchased, the consideration of $1.00 per share is deducted from members' share capital.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with trade and other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented in operating cash flows.

(l) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Notes to the Consolidated Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(m) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and annual leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

(n) Financial instruments

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition, (ii) less principal repayments, (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

I. Loans and receivables

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

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

II. Financial liabilities

The Group's financial liabilities include trade and other payables. Financial liabilities are measured subsequently at amortised cost.

(o) Significant management judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Notes to the Consolidated Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(p) New accounting standards

Changes in accounting policies

New and revised standards are effective for annual periods beginning on or after 1 July 2017

A number of new and revised standards became effective for annual periods beginning or after July 1 2017. Information on these new standards is presented below.

I. AASB 9 Financial Instruments:

Nature of change

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
    - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
    - the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities

Likely impact on initial application

The Group is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

II. AASB 16 Leases

Nature of change

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

Likely impact on initial application

The Group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

Notes to the Consolidated Financial Statements

	2018 $	2017 $
NOTE 2: REVENUE AND EXPENSES		
Other income		
Interest revenue	**12,349**	8,805
Other	**6,700**	-
	19,049	8,805
Expenses		
General expenses		
Accounting and bookkeeping fees	**47,800**	43,914
Advertising and marketing	**6,569**	5,774
Legal fees	**22,448**	33,707
Software expenses	**75,036**	67,248
Rent and outgoings	**32,295**	33,359
Dairy technical services' testing	**92,444**	51,964
Consulting fees	**1,304**	92,075
Other expenses	**123,098**	99,660
Total general expenses	**400,994**	427,701
Employee benefits expenses		
Wages, salaries	**272,300**	379,637
Superannuation	**41,558**	49,140
Directors' fees	**182,649**	127,854
Other	**62,233**	52,123
Total employee benefits expenses	**558,740**	608,754

NOTE 3: INCOME TAX

The major components of tax expense and the reconciliation of the expected tax expense based on effective tax rate of 30% (2017: 30%) and the reported tax expense in profit or loss are as follows:

Profit/(loss) from ordinary activities before tax	**277,145**	236,887
Prima facie tax expense/(benefit) on the profit(loss) from ordinary activities calculated at 30%	**83,143**	71,066
Other	**2,960**	2,670
Income tax expense/(benefit)	**86,103**	73,736
Tax expense comprises:		
Current tax expense	**56,720**	60,869
Deferred tax expense	**29,383**	12,867
Income tax expense/(benefit)	**86,103**	73,736
Income tax payable comprises:		
Income tax payable in relation to current year (refundable)	**(15,586)**	57,007
Income tax payable (refundable)	**(15,586)**	57,007

Notes to the Consolidated Financial Statements

	2018	2017
	$	$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	**779,911**	496,091
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	**8,886,064**	6,354,379
Other receivables	**3,307**	4,950
Total trade and other receivables	**8,889,371**	6,359,329
NOTE 6: OTHER ASSETS		
Prepayments	**28,517**	1,004
FBT instalments paid	**4,600**	-
Total other assets	**33,117**	1,004
NOTE 7: INTANGIBLE ASSETS		
Computer software license at cost		
Balance at beginning of year	**37,500**	18,481
Additions during the year	**50,000**	50,000
(Less) amortisation expense	**(24,305)**	(30,981)
Balance at end of the year	**63,195**	37,500
Computer software at cost		
Balance at beginning of year	**785**	1,181
Additions during the year	**-**	-
(Less) amortisation expense	**(403)**	(396)
Balance at end of the year	**382**	785
Trademarks at cost		
Balance at beginning of year	**-**	-
Additions during the year	**11,069**	-
(Less) amortisation expense	**-**	-
Balance at end of the year	**11,069**	-
NOTE 8: PLANT & EQUIPMENT		
Computers at carrying value		
Balance at beginning of year	**1,383**	3,975
Additions during the year	**2,335**	-
(Less) depreciation expense	**(774)**	(2,592)
Balance at end of the year	**2,944**	1,383
Office equipment at carrying value		
Balance at beginning of year	**2,042**	3,197
Additions during the year	**-**	180
(Less) depreciation expense	**(1,418)**	(1,335)
Balance at end of the year	**624**	2,042
Total plant and equipment	**3,568**	3,425

Notes to the Consolidated Financial Statements

NOTE 9: DEFERRED TAX ASSETS

	1 July 2017	**Recognised in profit or loss**	**Recognised directly in equity**	**30 June 2018**
	$	**$**	**$**	**$**
Liabilities				
Accruals	17,489	(887)	-	16,602
Other				
Section 40-880 deductions	95,636	(28,496)	-	67,140
	113,125	(29,383)	-	83,742

	1 July 2016	Recognised in profit or loss	Recognised directly in equity	30 June 2017
	$	$	$	$
Liabilities				
Accruals	18,028	(539)	-	17,489
Other				
Section 40-880 deductions	93,863	13,406	(11,633)	95,636
	111,891	12,867	(11,633)	113,125

NOTE 10: TRADE AND OTHER PAYABLES	**2018**	2017
	$	$
Current		$
Superannuation payable	**-**	2,290
Trade creditors	**8,800,041**	6,302,466
Accrued expenses	**50,144**	27,499
Other current liabilities	**18,440**	3,701
Total trade and other payables	**8,868,625**	6,335,956

NOTE 11: PROVISIONS	**2018**	2017
	$	$
Current		
Annual Leave	**15,225**	15,788
Long Service Leave	**6,997**	-
Total provisions	**22,222**	15,788

Provision for annual leave represents the Group's obligations to its current employees that are expected to be settled in the 2018 financial year.

Notes to the Consolidated Financial Statements

NOTE 12: FINANCIAL ASSETS AND LIABILITIES

Note 1(m) provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	2017	2017	2018	2018
	Financial assets at amortised cost	Total	Financial assets at amortised cost	Total
	$	$	$	$
Financial assets				
Cash and cash equivalents	496,091	496,091	**779,911**	**779,911**
Trade and other receivables	6,359,329	6,359,329	**8,889,371**	**8,889,371**
	6,855,420	6,855,420	**9,669,282**	**9,669,282**
	Other liabilities at amortised cost	Total	Other liabilities at amortised cost	Total
	$	$	$	$
Financial liabilities				
Trade and other payables	6,3335,956	6,335,956	**8,868,625**	**8,868,625**
	6,335,956	6,335,956	**8,868,625**	**8,868,625**

The carrying amount of the following financial assets and liabilities are considered a reasonable approximation of fair value:

- cash and cash equivalents
- trade and other receivables
- trade and other payables

NOTE 13: CAPITAL COMMITMENTS

The Group has no capital commitments for expenditures as at 30 June 2018.

Notes to the Consolidated Financial Statements

	2018	2017
	$	$

NOTE 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent liabilities or contingent assets as at 30 June 2018.

NOTE 15: AUDITOR'S REMUNERATION

	2018	2017
Audit services – Grant Thornton		
Remuneration for audit or review of financial statements	**34,000**	36,450
Other services – Grant Thornton		
investigating accountant	**-**	15,000
taxation services	**8,800**	7,464
accounting fees	**5,000**	-
Total other services remuneration	**13,800**	22,464
Total auditor's remuneration	**47,800**	58,914

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors The Directors of the Group during the year and up to the date of the Directors' Report were:

Scott Sieben (Chairman), Darin Blain, Peter Mulheron and Rod Slattery.

(b) Principles used to determine the nature and amount of remuneration

Remuneration was provided to Directors during the period for duties performed as Directors of the Group.

(c) Key management personnel compensation

	2018	2017
Short-term employment benefits	**182,649**	127,854
Post-employment benefits (superannuation)	**17,351**	12,146
Total key management personnel compensation	**200,000**	140,000

The compensation noted above comprises the fixed fees for all Directors during the year (inclusive of superannuation).

NOTE 17: RELATED PARTY TRANSACTIONS

There is no outstanding payable/receivable from related parties as at 30 June 2018.

NOTE 18: CASH FLOW RECONCILIATION

	2018	2017
Profit/(loss) attributable to members	**191,042**	163,151
Non-cash items in operating profit		
Depreciation and amortisation	**26,902**	34,124
Movement in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(2,530,044)**	(1,790,958)
(Increase)/decrease in other assets	**(27,513)**	20,246
(Increase)/decrease in deferred tax assets	**(51,339)**	(1,234)
Increase/(decrease) in trade and other payables	**2,532,669**	1,915,654
Increase/(decrease) in provisions	**6,434**	(18,780)
Increase/(decrease) in income tax payable	**3,529**	(57,504)
Net cash (used in)/from operating activities	**151,680**	264,699

Notes to the Consolidated Financial Statements

NOTE 19: SHARE CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends of the Co-operative in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each shareholder is entitled to one vote.

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to members and for other stakeholders and to maintain an optimal structure to reduce costs of capital.

In order to maintain or adjust the capital structure the Group may reduce its share capital, adjust the amount of dividends paid to shareholders including through the dividend re-investment plan (currently suspended) or may guarantee capital through deductions from payments to members of milk supplies under the terms of its share acquisition program (currently suspended).

The board of Directors and the audit, finance and governance committee monitor the capital needs of the Group.

	2018	2017	2018	2017
	No. of Shares	No. of Shares	$	$
Opening balance – shares of $1 each (fully paid)	109	97	109	97
Converted to share capital – ordinary shares of $1 each (fully paid)	60	23	60	23
Redeemable preference share issues – shares of $1 each (fully & partly paid)	545,000	349,505	545,000	349,505
Redeemable preference share issues – shares of $1 each (unpaid)	-	-	-	-
Share issue costs (net of tax benefit)	-	-	(76,837)	(76,837)
Closing Balance	545,169	349,625	468,332	272,788

In accordance with the Group's constitution, redeemable preference shares were issued during the year of which $1,000 of the proceeds was unpaid at 30 June 2018. The redemption of preference shares and payment of dividends are at the discretion of the Board.

NOTE 20: COMPOSITION OF THE GROUP

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

Name of the subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group	
			30 June 2018	30 June 2017
ADFC Nominees Pty	Australia. Suite 222a, 757 Bourke Street, Docklands,	Trustee for dry ordinary share class of shares for group	100%	N/A

Significant judgements and assumptions

The Group holds 100% of the ordinary shares and voting rights in ADFC Nominees Pty Ltd. The Group has appointed four (4) of ADFC Nominees Pty Ltd.'s Board of Directors out of a total of four (4). ADFC Nominees Pty Ltd was incorporated on the 6th October 2017.

Notes to the Consolidated Financial Statements

NOTE 21: FINANCIAL INSTRUMENT RISK

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 12. The main type of risks is credit risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed is described below.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for one financial instrument, the granting of credit to trade debtors. The Groups maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date as detailed in Note 12 above. The Group continuously monitors trade receivables and there were none overdue at the reporting date, or were none overdue through-out the reporting period.

NOTE 22: PARENT ENTITY INFORMATION

Information relating to Australian Dairy Farmers Corporation Ltd (the Parent Entity)

	2018 $'000	**2017 $'000**
Statement of financial position		
Current assets	**9,717,985**	6,856,424
Total assets	**9,879,941**	7,011,259
Current liabilities	**8,890,847**	6,408,751
Total liabilities	**8,890,847**	6,408,751
Net assets	**989,094**	602,508
Issued capital	**468,332**	272,788
Retained earnings	**520,762**	329,720
Total equity	**989,094**	602,508
Statement of profit or loss and other comprehensive income		
Profit for the year	**191,042**	163,151
Other comprehensive income	**-**	-
Total comprehensive income	**191,042**	191,042

The Parent Entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at the year end.

Notes to the Consolidated Financial Statements

NOTE 23: ECONOMIC DEPENDENCE

The Group is dependent upon the signing of two new customer contracts currently in the final stages of negotiation. At the date of this report supply has already commenced under the terms of agreed Heads of Agreement and the Directors have no reason to believe that contracts will not be finalised and signed in the near future.

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either:

- the Group's operations in future financial years;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

NOTE 25: GROUP DETAILS

The registered office and principal place of business is:

Suite 222A 757 Bourke Street Docklands VIC 3008

Directors' Declaration

In the opinion of the Directors of Australian Dairy Farmers Corporation Ltd:

(a) the financial statements and notes of Australian Dairy Farmers Corporation Ltd, as set out on pages 8 to 28, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date.

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Australian Dairy Farmers Corporation Ltd 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 Directors.

Scott Sieben	**Darin Blain**
Chairman	Director
Melbourne, 26 October 2018	

Grant Thornton

Collins Square, Tower 1
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Australian Dairy Farmers Corporation Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Dairy Farmers Corporation Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *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.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 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.

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 and the *Corporations Act 2001*. The Directors' responsibility also includes 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 Group'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 Group 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.

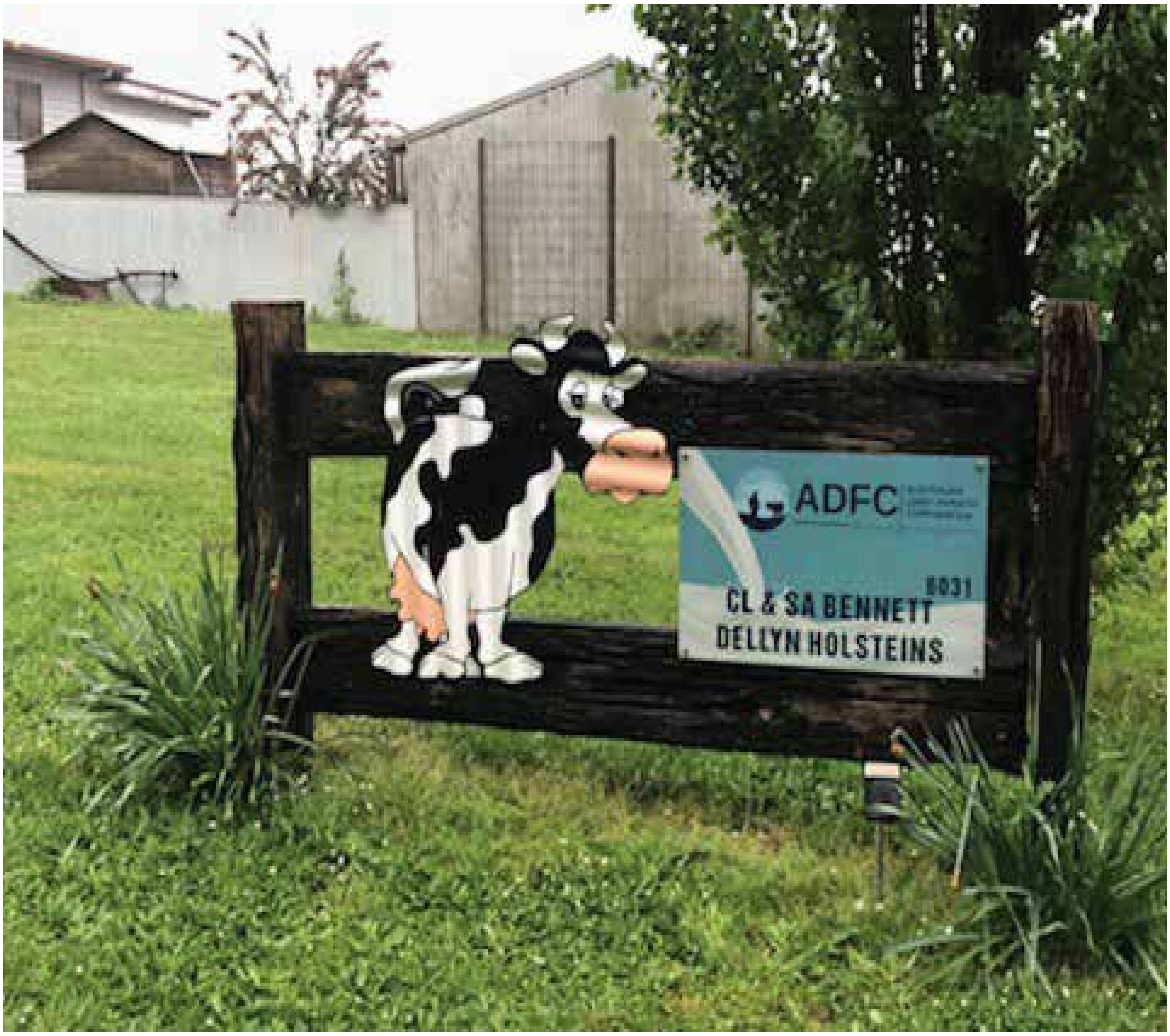
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A J Pititto
Partner – Audit & Assurance

Melbourne, 26 October 2018



ADFC AUSTRALIAN DAIRY FARMERS CORPORATION

Fairness for our farmers

Suite 222A, 757 Bourke Street, Docklands, Victoria, 3008
T: +61 3 9909 2208 | E: info@adfc.org.au | W: adfc.org.au