

**WARATAH ALPACA FIBRE CO-OPERATIVE
LIMITED**

A.B.N 98 701 212 718

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2025**

SPECIAL PURPOSE FINANCIAL REPORT FOR THE FINANCIAL

YEAR ENDED 30 JUNE 2025

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**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

Your Directors present their report on the Co-operative for the financial year ended 30 June 2025.

Directors

The names of the Directors in office at any time during the year and to the date of this report are:

Mr James Boston (Resigned 25 September 2024)

Mr Ian Frith

Mr. Rob Harborne

Mrs Sue Harris

Mr. Mel McNair (Appointed 28 October 2024)

Mrs. Deb Trostian

M Keith Whitfield (Appointed 28 October 2024)

Directors have been in office since the start of the financial year of the Co-operative to the date of this report unless otherwise stated.

Co-operative Secretary

Mr Keith Whitfield has held the office of Co-operative Secretary since 28 October 2024. Mrs Tanya Boston was the Co-operative Secretary from 2 May 2024 to 21 September 2024

Short and Long Term Objectives

The objectives of the Co-operative are to develop the NSW & Australian alpaca fibre industry, supporting the quality, sustainable supply of Australian alpaca fibre to buyers in all colours and classes and to maximise returns to members for the sale of their alpaca fibre.

Strategy for Achieving Short and Long Term Objectives

The Co-operatives' strategy has been to seek demand from domestic and international buyers to maximise both the returns to its members but also to encourage collaboration amongst Australian alpaca farmers to increase the supply of fibre to buyers. The Co-operative has contracted an AWEX qualified classer to assist with classing of fibre for the purpose of sale. This contracted classer is assisted by a number of volunteer shed hands. Up to 12 July 2024 the Co-operative employed shed hands to assist a former director with the classing of supplied fibre. All fleece is baled in accordance with the AWEX approved AAA alpaca classing code. Whilst the Co-operative purchases fleece from both members and non-members it pays a higher rate/kg for members fleece to encourage membership. Members contribute share capital to assist the Co-op in funding its working capital and acquiring machinery & equipment to assist with the classing of alpaca fibre.

Principal Activities

The principal activities of the Co-operative during the financial year were the collection and classing of alpaca fibre for sale to both domestic and international buyers.

No significant changes in the nature of the entity's activity occurred during the financial year.

These principal activities assisted in achieving the objectives of the Co-operative by providing a commercial supply of alpaca fibre required to meet the demands of domestic and international buyers which also assisted in maximising returns to the Co-operative members from the sale of their fibre.

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

Measurement of Performance by the Co-operative

The Co-operative measures its performance by the growth in new members, fibre sales and corresponding fibre purchases from both members and non- members. In the 2024/25 financial year the Co-operative welcomed 1 new member contributing \$1,000 of new capital and as at 30th June 2025 it had 65 members providing \$70,000 of share capital for working capital and equipment funding purposes.

\$275,949 of alpaca fibre was sold in the 2024/25 financial year, including a mix of white and coloured Huacaya fibre and \$16,744 of White Suri fibre. \$154,384 of alpaca fibre was classed and purchased from a combination of member and non-member fleece suppliers in the 2024/25 financial year.

A total of 24 fleece producers supplied the classed fibre in the 2024/25 financial year .

Operating Results

The operating results show a net loss before income tax of \$23,205 for the financial year ending 30 June 2025, (2024: net loss of \$96,374) and a net loss after income tax of \$23,205 (2024: net loss of \$96,374)

Dividends

No dividends were paid during the 2025 financial year (2024: Nil). The directors do not recommend a dividend for payment in respect of the financial year ended 30 June 2025. (2024: Nil)

Review of Operations

Following the resignation of the Co-operative's former employed classer and assistant farm hands all classing activities were suspended from July 12, 2024 until 2 November 2024 when a replacement AWEX qualified classer commenced on a contracting basis. This effected the Co-operative's supply of fleece and therefore subsequent sales in the 2024/25 financial year.

Nevertheless fleece supply in the 2024/25 financial year was significantly greater than the previous year with the board sourcing supplies from a number of large interstate farmers. Despite the suspension in classing activities , sales for the 2024/25 financial year were \$182,404 greater than in the previous year. Sales however remained weak following the loss of the Co-operative's major Chinese customer with the last container to China being shipped in December 2023. Meetings with this customer indicated concerns with both a lack of ongoing supply to meet their needs and also with the quality of the classing of the fleece supply in their final shipment. Following this meeting the board sourced new customers in the 2024/25 financial year through the assistance of wool and alpaca brokers. These new supply relationships remain ongoing.

The board sourced a \$200,000 loan from a related part in August 2024. These funds were used to provide the Co-operative with working capital and to assist it in paying fleece suppliers who had supplied fleece up to 30 June 2024. The loan is an interest only loan repayable in August 2027.

Classing Operations were also relocated in the financial year from Mittagong to Goulburn resulting in a \$2,905 savings in rental expense in the 2024/25 financial year compared to the previous year. Due to limitations of the storage capacity in the Goulburn shed all classed bales were stored at Packtainers, Yennora resulting in an increase in storage fees of \$8,800 compared to the previous year. The Co-operative's lease of its Mittagong shed did not cease until mid-September 2024 when its plant and equipment were relocated to the Goulburn premises. Accordingly there was some duplicated rent during this period.

Significant Changes in the State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

After Reporting Date Events

In April 2026 the board advised that under both the rules of the Co-operative and legislative requirements that it would notify a number of members of their failure to comply with the Co-op's active membership requirements. Under these rules each member must supply at least 30kg of alpaca fleece within the last 2 financial years. Following this communication a number of Co-operative members resigned their membership. These memberships will be cancelled and their shares will be repurchased in accordance with the Co-op's rules and the legislation.

Future Developments

The directors continue to look for additional sources of fibre supply together with additional sources for sale.

There are no other likely developments in the entity's operations.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Directors

Mr Ian Frith – Chairman

Qualifications: Fellow Australian Institute of Management, Diploma Financial Services (Gen Ins), Senior Associate Member of Australia & New Zealand Institute of Insurance & Finance

Experience: 35 years experience in the insurance & marketing sector, 25 running own businesses with 250 staff in 6 countries. Established his stud Millpaca in approximately 2007 and at one stage was Australia's largest alpaca farmer, An entrepreneur who in addition to his insurance businesses has owned and run a number of small businesses including in the hospitality industry and in the meat industry.

Years on Board 1 year 11 months

Mr James Boston (Resigned 25 September 2024)

Qualifications Masters of Business Management,

Experience: 40 years in the RAAF and Defence Industry holding, technical, operational, Defence logistics and Project Management roles. Black Belt in Six Sigma (Business Process Improvement) and National Australian Project Manager of the Year (Australian Institute of Project Management) . Co-owner and Director of Boston Fine Fibres and Jimburra alpacas.

Years on Board 4 months

Mr. Rob Harborne

Qualifications: Bachelor of Applied Science in Agriculture, Masters in Applied Science in Systems Agriculture, Certificate iv in Workplace Assessment

Experience: Alpaca farmer for the past 20 years including active showing of both fleece and animals throughout this period. Has been farming for over 25 years growing grains, lucerne, cereal hay and running cattle. Worked as an agronomist for 30 years and now runs a private consultancy business focusing on both cropping and pasture farming systems. A former committee member, Vice President and President of the NSW Southern Region Committee of the Australian Alpaca Association. Was Vice President of the AAA NSW regional committee in 2020 and has convened more than 12 AAA alpaca shows.

Waratah Alpaca Fibre Co-operative Limited
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DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Years on Board 5 years

Dr Sue Harris

Qualifications: Bachelor of Arts, Bachelor of Law (Hons) Ph.D

Experience: Sue is a former lawyer and an active breeder of black alpacas at her arm in the Otway Ranges, Victoria. She has been a director of the Australian Alpaca Association and, in that capacity, travelled to China in 2018 and 2019 to promote the sale of Australian alpaca fibre. Sue is passionate about developing the Australian alpaca fleece industry.

Years on Board 1 year 11 months

Mr. Mel McNair (Appointed 28 October 2024)

Qualifications Heavy Vehicle licence

Experience: An alpaca breeder for over 10 years, Spent over 25 years in the manufacturing and printing industry prior to retirement approximately 5 years ago.

Years on Board 1 year 6 months

Mrs. Deb Trostian

Qualifications: Advanced Diploma Accounting, Cert 11 Agriculture & Alpaca products and various other vocational courses. Has attended many alpaca associated educational workshops and courses.

Experience: A founding Co-operative director. Self-employed business partner for over 30 years and has also worked in taxation consultancy and office management with extensive administration and retail experience. Former member of the AAA NSW region committee and former President & Vice - President of the AAA Sydney Coast & Highlands region. Has also convened many alpaca halter and fleece shows including the 2019 AAA National Fleece Show.

Years on Board 7 years 10 months

Mr. Keith Whitfield (Appointed 28 October 2024)

Experience: Owner operator of a retail tyre service business for 30 years. An alpaca breeder since 1997 and one of the first NSW breeders to do an alpaca course at Hawkesbury TAFE. Today is semi retired running a 160 head alpaca farm and managing a Barrumundi fish farm in addition to his volunteer work.

Years on Board 1 year 6 months

Meetings of Directors

During the financial year, nine (9) meetings of the directors were held. Attendance by each director was as follows:

	Directors Meetings	
	No. Eligible to Attend	No. Attended
Mr James Boston	2	2
Mt Ian Frith	9	8

**DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	Directors Meetings	
	No Eligible to Attend	No. Attended
Mr. Rob Harborne	9	5
Mrs Sue Harris	9	9
Mr. Mel McNair	7	5
Mrs. Deb Trostian	9	7
Mr. Keith Whitfield	7	7

Indemnifying Officers or Auditor

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings, other than disclosed in the Notes to the Financial Statements.

The entity was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors.

Ian Frith
Director

Deb Trostian
Director

Dated

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

ABN 98 701 212 718

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

STATEMENT OF PROFIT & LOSS & OTHER COMPREHENSIVE INCOME

		2025	2024
	<i>NOTE</i>	\$	\$
Revenue	2	282,136	99,743
Other Income		-	-
Cost of Sales		(230,780)	(103,686)
Advertising & Marketing Expenses		(3,618)	-
Employee Benefits		(2,639)	(55,376)
Depreciation Expense		(1,922)	(1,922)
Finance Costs		(13,750)	(772)
Rental Expenses		(18,850)	(12,956)
Other Expenses		(33,782)	(21,405)
Profit/(Loss) Before Income Tax		(23,205)	(96,374)
Tax Benefit/(Expense)	4	-	-
Net Profit/(Loss) for the year	3	(23,205)	(96,374)
Other Comprehensive Income		-	-
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income/(Loss) for the year		(23,205)	(96,374)

The accompanying notes form part of the financial statements

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

ABN 98 701 212 718

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

STATEMENT OF FINANCIAL POSITION

		2025	2024
	NOTE	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	112,230	24,467
Trade and other receivables	6	8,034	23,429
Inventory	7	87,583	156,867
Other assets	8	17,908	2,440
Tax Assets	9	505	505
TOTAL CURRENT ASSETS		226,260	207,708
NON-CURRENT ASSETS			
Tax Assets	9	866	866
Property, Plant & Equipment	10	4,561	6,483
TOTAL NON - CURRENT ASSETS		5,427	7,349
TOTAL ASSETS		231,687	215,057
CURRENT LIABILITIES			
Trade and other payables	11	87,654	248,728
Other Liabilities	12	91	182
TOTAL CURRENT LIABILITIES		87,745	248,910
NON-CURRENT LIABILITIES			
Borrowings	13	200,000	-
Members' shares	14	70,000	69,000
TOTAL NON-CURRENT LIABILITIES		270,000	69,000
TOTAL LIABILITIES		357,745	317,910
NET ASSETS/(LIABILITIES)		(126,059)	(102,853)
MEMBERS' EQUITY			
Retained earnings/(Accumulated losses)		(126,058)	(102,853)
TOTAL MEMBERS' EQUITY/(DEFICIENCY)		(126,058)	(102,853)

The accompanying notes form part of the financial statements

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

STATEMENT OF CHANGES IN EQUITY

	Retained Earnings/ (Accumulated Losses)	Total Equity/ (Deficiency)
	\$	\$
Balance at 30 June 2023	(6,479)	(6,479)
Comprehensive Income		
Profit/(Loss) attributable to the members' of the Co-operative	(96,374)	(96,374)
Total comprehensive Income/(Deficit)	<u>(96,374)</u>	<u>(96,374)</u>
Balance at 30 June 2024	(102,853)	(102,853)
Comprehensive Income/(Deficit)		
Profit/(Loss) attributable to the members' of the Co-operative	(23,205)	(23,205)
Total comprehensive Income/ (Deficit)	<u>(23,205)</u>	<u>(23,205)</u>
Balance at 30 June 2025	<u>(126,058)</u>	<u>(126,058)</u>

The accompanying notes form part of the financial statements

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

STATEMENT OF CASH FLOWS

	NOTE	2025	2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		291,435	97,998
Payments to suppliers and employees		(391,114)	(155,596)
Interest Paid		(13,750)	(772)
Interest Received		192	516
NET CASH (USED IN)/PROVIDED BY			
OPERATING ACTIVITIES	15(b)	(113,237)	(57,854)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		200,000	-
Proceeds from member share subscriptions		1,000	5,000
Payment to members for share redemptions		-	(1,000)
NET CASH PROVIDED/(USED IN) FINANCING ACTIVITIES		201,000	4,000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		87,763	(53,854)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE			
FINANCIAL YEAR		24,467	78,321
CASH AND CASH EQUIVALENTS AT THE END OF THE			
FINANCIAL YEAR	5,15(a)	112,230	24,467

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Waratah Alpaca Fibre Co-operative Limited as an individual entity, incorporated and domiciled in Australia. Waratah Alpaca Fibre Co-operative Limited is a for-profit entity incorporated under the Co-operatives National Law (NSW).

Statement of Compliance

The Co-operative is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to meet the needs of the members and to comply with the Co-operatives National Law (NSW) and the Co-operatives National Regulations (NSW).

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

Basis of Preparation

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures'.

Historical cost convention

The financial statements have been prepared under the historical cost convention modified where applicable by the measurement of selected non-current assets.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

Uncertainty of going concern basis

As a consequence of the following

- 1) The Co-operative's total assets were unable to cover its total liabilities as at 30 June 2025

There is significant uncertainty whether the co-operative will be able to continue as a going concern. If the co-operative is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those disclosed in the financial report.

However we draw attention to the following mitigating factors

As at the date of signing this financial report the Co-operative has not defaulted on the payment of any liability or any member share redemption request and its ratio of current assets compared to current liabilities remains strong as does its cash reserves. Whilst the co-operative has a deficiency in its member capital as at 30 June 2025 this is largely due to compliance with Australian accounting standards and the disclosure of member share capital as a liability rather than equity. It is noted that the Co-operative was able to obtain a loan from a related party lender in August 2024 and that it continues to have the support of that lender as well as the majority of its shareholders. The restrictions on the redemption of member share capital as referred to in Note 1 (o) Member Shares is also noted. Whilst the co-operative did trade at a loss during the 2024/25 financial year it continues to enjoy the support of a

number of large fleece suppliers and demand for the sale of this fleece remains strong. The board is confident that it will be in a position to increase its supply for sale and to return to surplus in the near future.

Income Tax

The income tax expense/benefit for the year comprises current income tax expense, deferred tax expense and future tax benefits.

Current income tax expense charged to the profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/assets are measured at the amounts expected to be paid to/ (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or subsequently enacted by the end of the reporting period.

Future income benefit reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/ benefit is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax losses can be utilised.

(a) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at banks, cash on deposit at call and term deposits with maturities of less than three months.

(b) Property, Plant and Equipment

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

Plant and Equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

The depreciation rates used for each class of depreciable assets are:

Leasehold Improvements	100%
Computer equipment	25%
Furniture, fittings and other equipment	20%
Plant and equipment	10-20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Income Statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the Co-operative reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is expensed to the Statement of Profit or Loss.

(d) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the Company's exposure to credit risk can be found in the accounting policy note on Investments and Other Financial Assets and in Note 1(g) and 1(s).

(f) Investments and Other Financial Assets

(1) Classification

The Co-operative classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- (ii) those to be measured at amortised cost.

The classification depends on the Co-operatives's business model for managing the financial assets and the contractual terms of the cash flows.

The Co-operative measures its investments and other financial assets at amortised cost.

(2) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Co-operative commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Co-operative has transferred substantially all the risks and rewards of ownership.

(3) Measurement

At initial recognition, the Co-operative measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(4) Impairment

The Co-operative assesses whether there has been a significant increase in credit risk. For trade receivables, the Co-operative applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 1(f) and Note 1(s).

(g) Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by permanent employees to the end of the reporting period. As at 30th June 2023 the Co-operative had only employed casual employees.

(h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimates at the current time of the amounts required to settle the obligation at reporting date.

(i) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(j) Inventory

Inventories are measured at the lower of cost and net realisable value.

(k) Revenue

Revenue is recognised at the fair value of the consideration received.

Revenue from rendering service is recognised upon delivery of service to the members and/or customers. Revenue from the sale of fibre is recognised when the significant risks and rewards of ownership are transferred to the buyer.

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

(l) Prepayments

Expenses prepaid in relation to services occurring after balance date have been recorded in the Statement of Financial Position.

(m) Good and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are inclusive of GST.

(n) Leased Assets

All leases that the Co-operative has entered into are classified as operating leases, where substantially all the risks, benefits and ownership remain with the lessor of the assets. Lease payments are charged as expenses in the period in which they are incurred.

(o) Member Shares

Under the rules of the Co-operative member shares are repurchased upon resignation or cancellation of membership or upon receipt of a notice to redeem from the member. All purchases must be paid within 12 months of cancellation, resignation or notice. Under the rules shares cannot be re-purchased from a deficiency in member's equity. In accordance with UIG Interpretation 2 'Member' Shares in Co-operatives & Similar Instruments' the Co-operative classifies its issued member shares as non-current liabilities in the statement of financial position. Dividends relating to member shares are recognised as an expense in profit or loss.

(p) Economic Dependence

The Co-operative is dependent upon fibre sales for the majority of its revenue. As at the date of this report, the Directors are aware that there are external factors (global financial situation and climate conditions) that will affect these sources of Co-operative Income.

(q) Comparative Figures

Where required by Accounting Standards and where appropriate, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(r) Critical Accounting Estimates and Judgements

The Board of Directors evaluates estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key Estimates -
Impairment**

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key elements.

Provision for impairment of receivables

The Co-operative's policy for allowance for doubtful receivables is based on the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables and considers an assessment of recoverability and ageing analysis of outstanding accounts and management's estimates. The Board of Directors believe that all trade receivables are recoverable.

(s) Adoption of New and Revised Accounting Standards

The company has adopted the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards impacted the recognition, measurement and disclosure of certain transactions. No material impacts occurred in the current financial year.

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2 REVENUE AND OTHER INCOME

The Co-operative has recognised the following amounts relating to revenue in the Statement of Profit & Loss

	2025	2024
	\$	\$
Revenue		
- Sales of fibre	275,949	93,545
- Membership fees	5,046	5,682
- Interest Received – Other Corporations	192	516
- Other Income	949	-
	<u>282,136</u>	<u>101,743</u>

3 PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) before income includes the following specific Expenses;

Auditors Remuneration

- Audit services	5,000	5,900
- Other services	-	-
Cost of goods sold	230,780	103,686
Depreciation Expense	1,922	1,922
Employee benefits expense	2,639	55,376
Interest Paid		
- Other Corporations	-	772
- Related Parties	13,750	-
Operating Leases	18,850	12,956

4 INCOME TAX EXPENSE

a) the components of income tax expense comprise;

Current tax expense	-	-
Future income tax benefit	-	-
Income Tax Benefit/(Expense)	<u>-</u>	<u>-</u>

b) the prima facie tax on profit/(loss) before income tax expense is reconciled to the income tax expense as follows;

Prima facie tax on profit/(loss) before income tax at 25%	(5,801)	(24,093)
Less : Tax effect of		
Non- Assessable Income		
Membership Fees	(1,261)	(1,421)
	<u>(7,062)</u>	<u>(25,514)</u>
Future Tax Benefit not brought to account	7,062	25,514
Income Tax Expense/(Benefit)	<u>-</u>	<u>-</u>

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED**ABN 98 701 212 718****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
5 CASH AND CASH EQUIVALENTS		
Cash at Bank – Trading a/c	38,216	645
Cash at Bank – Investment a/c	74,014	23,822
	<u>112,230</u>	<u>24,467</u>
6 TRADE & OTHER RECEIVABLES		
Current		
Trade Receivables	3,592	1,602
Sundry Debtors	-	1,359
GST Receivable	4,442	20,468
	<u>8,034</u>	<u>23,429</u>
7 Inventory		
Classed Fleece on Hand	87,583	156,867
	<u>87,583</u>	<u>156,867</u>
8 OTHER ASSETS		
Current		
Prepayments	17,908	2,440
	<u>17,908</u>	<u>2,440</u>
9 INCOME TAX ASSETS		
Current		
Income Tax Refundable	505	505
	<u>505</u>	<u>505</u>
Non-current		
Future Income Tax Benefit	866	866
	<u>866</u>	<u>866</u>
10 PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment – at Cost	12,651	12,651
Less Accumulated Depreciation	(8,090)	(6,168)
	<u>4,561</u>	<u>6,483</u>
11 TRADE & OTHER PAYABLES		
Current		
Trade Payables	65,761	235,554
Sundry Creditors	1,142	779
Accrued Expenses	20,751	12,395
	<u>87,654</u>	<u>248,728</u>
12 OTHER LIABILITIES		
Current		
Membership Fees in Advance	91	182
	<u>91</u>	<u>182</u>

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED**ABN 98 701 212 718****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
13 BORROWINGS		
Non-Current		
Loan – Frith Family Superannuation Fund - Secured	200,000	-
	<u>200,000</u>	<u>-</u>

The Frith Family Superannuation Fund loan is a 3-year interest only loan secured by a charge over the Co-operative's assets. This loan is due to be repaid by 1 August 2027.

14 MEMBERS' SHARES

Non-Current		
Fully paid member shares	70,000	69,000
	<u>70,000</u>	<u>69,000</u>
Balance at beginning of year		
690 shares of \$100 each	69,000	65,000
Plus		
New capital subscribed by members (10 shares)	1,000	5,000
	<u>70,000</u>	<u>70,000</u>
Less Shares repurchased from members	-	(1,000)
Balance at end of year		
700 shares of \$100 each	<u>70,000</u>	<u>69,000</u>

15 CASH FLOW INFORMATION

a) Reconciliation of cash
Cash at the end of the financial year as shown in the Statement Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank – Trading a/c	38,216	645
Cash at Bank – Investment a/c	74,014	23,822
	<u>112,230</u>	<u>24,467</u>

b) Reconciliation of cashflow from operations with Profit/(Loss after income tax for the year;

Profit/(loss) after tax	(23,205)	(96,374)
Non Cash-flows in Profits		
Depreciation	1,922	1,922
Changes in assets and liabilities		
Decrease/(Increase) in trade & other receivables	15,395	(3,229)
Decrease/(Increase) in inventories	69,284	(156,867)
Decrease/(Increase) in other assets	(15,468)	2,834
Decrease/(Increase) in tax assets	-	1,595
Increase/(Decrease) in trade & other payables	(161,074)	192,174
Increase/(Decrease) in other liabilities	(91)	91
Cash flows provided by/(used in) operating activities	<u>(113,237)</u>	<u>(57,854)</u>

WARATAH ALPACA FIBRE CO-OPERATIVE LIMITED

ABN 98 701 212 718

FOR THE FIINANCIAL YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
16 SEGMENT REPORTING		
Sales of fibre by geographical segment		
Australia	30,374	-
International Export	245,575	93,545
	<u>275,949</u>	<u>93,545</u>
17 DIRECTORS' REMUNERATION		
The names of each director who held office during the financial year are James Boston, Ian Frith, Rob Harborne, Sue Harris, Mel McNair, Deb Trostian and Keith Whitfield.		
Directors' Remuneration	<u>-</u>	<u>31,586</u>
18 RELATED PARTY TRANSACTIONS		
Entities associated with the directors trade with the Co-operative on terms and conditions no more favourable than other members of the Co-operative		
Fibre purchases from director related entities	<u>8,708</u>	<u>5,455</u>
	<u>8,708</u>	<u>5,455</u>
An entity related to former director Mick Williams was paid rent for the sub lease of its shed and equipment at Coolaroo In Mittagong, NSW whilst a director of the Co-Operative		
Rent paid	<u>-</u>	<u>10,704</u>
An entity associated with Ian Frith, I & C Frith Superannuation Fund , provided the Co-operative with a \$200,000 loan on 1 August 2024. In accordance with the terms of that loan agreement that entity was paid interest on the loan funds		
Interest Paid	<u>13,750</u>	<u>-</u>

**DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025**

The board of directors have determined that the Co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors declare that:

1. The financial statements present fairly the company's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. The financial statements and notes are in accordance with the provisions of Reg 3.11 of the Co-operatives National Regulations and
3. 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 directors and is signed for and on behalf of the directors by:

.....

Ian Frith

Director

.....

Deb Trostian

Director

Dated

DETAILED STATEMENT OF PROFIT OR LOSS

	2025	2024
	\$	\$
REVENUE		
Fleece Sales	275,949	93,545
Less		
Cost of Goods Sold		
Opening Stock on Hand	156,867	-
Purchases & Freight	161,495	260,553
	318,362	260,553
Closing Stock on Hand	(87,582)	(156,867)
Total Cost of Goods Sold	230,780	103,686
Gross Profit from Trading	45,169	(10,141)
Add		
Other Revenue		
Interest Received	192	516
Membership Fees	5,046	5,682
Other Income	949	-
TOTAL REVENUE	51,356	(3,943)
EXPENDITURE		
Accountancy Fees	3,080	2,500
Advertising & Promotion	3,618	-
Audit Fees	5,000	5,900
Bale Core Testing	1,178	-
Bale Handling & Storage Charges	9,520	-
Bank Charges	110	120
Borrowing Costs	229	-
Computer and Website expenses	3,268	1,932
Contract Fleece Classing	8,100	-
Depreciation	1,922	1,922
Filing Fees	-	78
Freight & Cartage	1,004	1,044
General Expenses	20	33
Insurances	10,279	7,309
Interest Expense	13,750	772
Meeting Expenses	231	-
Permits, Licences & Fees	-	79
Rent	10,050	12,956
Repairs & Maintenance	-	620
Rubbish Removal	-	1,790
Subscriptions	260	-
Superannuation contributions	291	5,362
Wages	2,348	50,014
Wool Packs & Clips	301	-
TOTAL EXPENDITURE	74,559	92,431
NET PROFIT/ (LOSS) BEFORE INCOME TAX	(23,205)	(96,374)
(Income tax expense)/Benefit	-	-
NET PROFIT/(LOSS) FOR THE YEAR	(23,205)	(96,374)