



**Building a better
working world**

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Independent Auditor's Report to the Directors of Bega Cheese Limited

Opinion

We have audited the attached Bega Better Farms Program Grant Statement (the Statement) provided by Bega Cheese Limited (the 'Company') under the Bega Better Farms Program for the period from 1 April 2018 to 30 June 2020.

In our opinion, the Statement of the Company (the 'Statement') attached for the period from 1 April 2018 to 30 June 2020 summarises, in all material respects, grants paid during this period under the 2018 and 2019-2021 Bega Better Farms Program Information Package.

We have also undertaken a reasonable assurance engagement on Bega Cheese Limited's compliance, in all material respects, with the Bega Better Farms Program Information Package (the Information Package) relating to the accounts and records of the Bega Better Farms Program (the Program) and to the extent it deals with the:

- a. Eligibility requirements which recipients must meet to Participate in the Program;
- b. The grant conditions which must be met by an individual grant applicant for each of the grant types (Advice & Service; Development & Training and On Farm Capital Works Grant); and
- c. Program resources (grant amounts) requirements for amounts paid to grant recipients.

(Hereafter the 'Program Criteria').

In our opinion, the Company for the period from 1 April 2018 to 30 June 2020 has in all material respects complied with the requirements of the Program in so far as:

- a. The grant recipients met the eligibility requirements for the Program;
- b. The grants made during the period met the applicable grant conditions; and
- c. The grant amounts were in accordance with the Program resources requirements of the Information Package (up to \$1,000 for Advice and Services Support and \$5,000 for the On Farm Capital Works Grant).

Basis for Opinion

We conducted our audit of the Statement in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Statement in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We conducted the compliance element of our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Reliance

The Statement is prepared to assist the Company to meet the requirements of the Bega Better Farms Program. As a result, the Statement may not be suitable for another purpose. Our report may be relied upon by the Company for the purpose set out above only pursuant to the terms of our engagement letter dated 15 July 2020. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the access of our report by the other party or the reliance upon our report by the other party.

Responsibilities of Management for the Statement

The Company's management is responsible for the preparation of the Statement in accordance with the Bega Better Farms Program Information Package and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Management is also responsible for:

- ▶ The compliance activity undertaken to ensure the accounts and records meet the requirements of the Program to the extent that they deal with the Program Criteria; and
- ▶ Identification of risks that threaten compliance of the books and records with the Program as identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Auditor's Responsibilities

Our objectives with respect to the Statement are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- ▶ Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

With respect to the compliance element of our engagement, our responsibility is to express an opinion on the Company's compliance, in all material respects, with the Program relating to the Company's accounts and records and to the extent that they deal with the Program Criteria for the period from 1 April 2018 to 30 June 2020. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether the Company has complied, in all material respects, with the Program relating to the Company's accounts and records and to the extent that they deal with the Program Criteria for the aforementioned period.

An assurance engagement to report on the Company's compliance with the Program involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Program's requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Program.



Ernst & Young

Melbourne
13 January 2021

Bega Better Farms Program Grant Statement
For the period from 1 April 2018 to 30 June 2020

	Total to 30 June 2020
Capital Works Projects	\$573,662
Advice & Services Support	\$92,049
Training & Development	\$35,715
TOTAL	\$701,426