

Buying and Selling Procedures

Buying Procedures

The Client purchases livestock as Agent for StockCo. StockCo receive the invoice and on the basis that it meets StockCo's settlement requirements, StockCo will settle the agent directly.

What are the settlement requirements?

1. Livestock must meet agreed purchase price parameters.
2. Clients must be within their StockCo approved credit limit.
3. NLIS tag numbers must be on the correct PIC for cattle purchases.
4. The client must provide authorisation to StockCo to settle each invoice.

Who do I book the livestock up to when they are purchased?

- StockCo do not maintain accounts with livestock agents or livestock exchanges.
- Clients must have arrangements in place with an agent, the livestock exchange or the vendor prior to purchasing livestock to be funded by StockCo.
- The agent should establish a credit limit for the client based on the agent's internal policies.

How does the Agent address the invoice and where do they send it?

- Invoices are to be made out to the "Client as Agent for StockCo"
 - e.g. "Greenhill Station Pty Ltd as agent for StockCo"
- StockCo's ABN (33-604-825-747) should be stated on the invoice
- Send a copy of the invoice to StockCo at livestock@stockco.com.au (or fax 1800 283 914). The client should also receive a copy.

How do you recommend that Agent's setup the account?

- The accounts are setup in the Client's name. StockCo do not open accounts with agents.
- Most agents establish a second account for the client with the wording as per above so that all invoices for stock purchased by the client and to be funded by StockCo automatically issue the correctly worded invoice.

Additionally, they enter StockCo's bank account details on this account so that the sale proceeds from StockCo funded livestock can be processed through this account with proceeds going directly to StockCo. Further information regarding the sales process is contained below.

What happens if the invoice does not meet StockCo's settlement requirements?

- The invoice is the responsibility of the client to settle, not StockCo. This is why a credit limit should be established that is acceptable to the agent.
- In the event the invoice doesn't meet StockCo's settlement requirements StockCo will work with all parties to try and satisfy the settlement requirements.

- The agent can contact StockCo (1800 283 447 or livestock@stockco.com.au) to ensure that the client has an active facility with limit availability prior to the purchase of livestock.
 - StockCo will respect the client's confidentiality and only release sufficient details to satisfy the agent that the purchase will satisfy the settlement requirements.

It is the intention of StockCo to settle all invoices on the due date. The sooner we receive the invoice the easier this is.

Selling Procedures

The Client sells the livestock as Agent for StockCo. StockCo receives sale proceeds, deducts the purchase price and finance costs and pays the margin to the Client.

What procedures should the Client follow?

- The Client sets up an account with the Selling Agent / Processor.
- The livestock are to be sold in the client's name (they are being sold as agent for StockCo).
- Kill Sheet / Invoice is to be made out to the Client.
 - StockCo's ABN (33-604-825-747) must be stated on the Kill Sheet / Invoice.
 - A copy should be sent to StockCo at livestock@stockco.com.au (or fax 1800 283 914).
The client should also receive a copy.
- The Selling Agent or Processor must be instructed to pay the full livestock proceeds to StockCo.

What is StockCo's settlement account?

- Please contact StockCo who will provide the bank account number:

General Questions

The Client sells the livestock as Agent for StockCo. StockCo receives sale proceeds, deducts the purchase price and finance costs and pays the margin to the Client.

Who is responsible for the GST?

- StockCo take title to the livestock and claim the GST on the purchase and pay the GST on the sale.
- Clients are advised not to record purchases or sales of StockCo funded livestock in their accounting system, because this will cause incorrect BAS returns.
- The Client is only responsible for the GST on the margin paid out by StockCo when stock are sold.
- When the livestock are sold, StockCo will issue a Recipient Created Tax Invoice (RCTI) accounting for the sale proceeds, original purchase price and any finance costs. The client should only enter the details from the RCTI into their accounting system.

Why do StockCo seek to obtain the Purchase and Sale Weights?

- This is so that we can measure weight gain performance.
- This is important for StockCo monitoring and allows us to report to our clients on livestock performance.