



TAFCOTM
RURAL SUPPLIES

ANNUAL REPORT
to MEMBERS
2021-2022



TAFCO
RAPIDFERT

www.tafco.com.au

BOARD OF DIRECTORS:

Mr. Lachlan CAMPBELL	Chairman
Mr. Jake HOWMAN	Deputy Chairman
Mr. Stefano ANTONELLO	
Mr. Michael BLEESER	
Mrs. Bronwyn DWYER	
Mr. Angelo GRASSI	
Mr. Joe LaSPINA	
Mrs. Katrina BENDEMAN	Retired 6th April 2022
Mr. Guido COSSIGNANI	Retired 6th October 2021

SECRETARY:

Ms. Kerry MURPHY

MERCHANDISING MANAGER:

Mr. Tony VACCARO Retired 24th June 2022

GENERAL MANAGER:

Mr. Rupert SHAW

STAFF:

Mr. Glenn COUSINS
Mr. Mitch CLARK
Mr. Ian GAMBLE
Mr. Gerard SACCO
Mr. Ron LONG
Mr. Tony VESCIO
Mrs. Tracy WHITEHEAD
Ms. Louise BENINI (Farmers Market Co-ordinator)

AUDITOR/REVIEWER:

Mr. Sam MAROTTA

ACCOUNTANTS:

Alpine Tax

BANKERS:

ANZ Banking Group - MYRTLEFORD BRANCH

Page: CONTENTS:

1. Notice of Meeting and Agenda
2. Minutes of previous Annual General Meeting held on 25th November 2021
4. Chairman's Report
7. Directors Qualifications & Experience
9. Directors Report
10. Directors' Declaration
11. Detailed Profit and Loss Statement
14. Detailed Balance Sheet
16. Statement of Cashflows
17. Notes to the Financial Statements
19. Independent Auditors Report & Auditors Independence Declaration
20. Nomination Form

NOTICE TO MEMBERS & AGENDA.

NOTICE is hereby given for the ANNUAL GENERAL MEETING of the TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, to be held at TAFCO Rural Supplies, 215 Myrtle Street Myrtleford on THURSDAY 24th November 2022 commencing at 5.30p.m followed by light refreshments.

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on 25.11.21
3. Business Arising
4. Chairman's Report
5. Manager's Report
6. Receiving & Adopting of:
 - (a) Profit & Loss Statement
 - (b) Balance Sheet
 - (c) Directors Declaration and Directors Report
 - (d) Independent Assurance Practitioners Report
7. Appointment of Directors: *(Nomination forms on last page of report)*

By rotation, Angelo Grassi and Bronwyn Dwyer retire and are available for re-election for a further 3 year term:
Stef Antonello (2 year term 2024) and Michael Bleeser (1 year term 2023) have filled casual vacancies during the year for retired directors G.Cossignani and K.Bendeman and will be available for re-election at the end of their respective terms.
8. Ratification of Rates of Dividend, Bonus & Rebates.

At the Directors meeting held on the 1st June 2022 a motion was carried issuing a 5% dividend to members and a 5% rebate on members trading 01.04.21 to 31.03.22 be paid as a credit on members accounts on the 29th June 2022.
9. Directors Fees - Ratification

At the Directors Meeting held on the 2nd October 2019 directors reviewed Directors Fees and recommend that the Chairman's Annual Allowance remain at \$8,000 per annum and the Directors Sitting Fee- Day Allowance be increased to \$250 per day.
10. Special Resolutions - none

By Order of the Board.

Kerry Murphy (SECRETARY)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, HELD ON THE 25th NOVEMBER 2021 AT CLUB SAVOY 252 GREAT ALPINE ROAD MYRTLEFORD WHICH COMMENCED AT 5.35p.m.

PRESENT: L.Campbell, J.Howman, J.LaSpina, K.Bendeman, S.Antonello, M. Bleeser,
N.Mautone, A.Roman, R.Shaw, T.Vaccaro & K.Murphy

APOLOGIES: B.Dwyer, A.Grassi, P.Burrowes & C.McCormack

Moved N.Mautone/S.Antonello that the apologies be accepted.

CARRIED.

MINUTES:

Moved N.Mautone/J.Howman that the Minutes of the Annual General Meeting, held on Thursday 26th November 2020 be confirmed.

CARRIED.

CHAIRMAN'S REPORT:

The Chairman Lachlan Campbell tabled his report for 2020-21. A year of continued challenges for our members and staff, a second year of a global pandemic and some changes to the Board composition.

- \$7.39 million sales - Highest turnover since formation of TAFCO
- 660 Members – highest number of members since TAFCO began in 1987
- Uninterrupted trade throughout 2020-21 global pandemic,
- Australian Institute of Company Directors training to Board members
- Bushfire Recovery – Members supported through farmer training and promotion
- ABC Fightback Farmers featured TAFCO as a leading co-operative in Australia

There are many challenges ahead, (well beyond covid), the agricultural landscape is changing within the region and so is TAFCO's member base. Being profitable, remaining relevant to members, providing quality goods and services and giving back to community is key and forefront to our decision making. TAFCO will explore new opportunities as they arise and retreat if things don't work out. Our core decision making is always for the long term benefits of our TAFCO family, all our members

With the retirement of Tony Vaccaro our Manager of over 30 years, I would like to assure our members that the Board recognize the importance of finding the right person and have engaged professional HR services to assist with the transition to a new General Manager in 2022.

Past directors who retired Allan McGuffie and Guido Cossignani were acknowledged for their contributions, present Directors were thanked and new observer Directors welcomed, all staff acknowledged for their contribution to the co-operatives success.

Moved S.Antonello/R.Shaw that the Chairman's Report be received.

CARRIED.

MANAGERS REPORT:

The Manager Tony Vaccaro reflected on the past 30 years and the transition from a franchise of Dalgety Farmers to an independent rural merchandise co-operative – the journey and confidence in retiring leaving the co-operative in a very strong financial position for the future.

Moved J.LaSpina/M.Bleeser that the Managers report be received.

CARRIED.

FINANCIAL REPORTS:

Moved N.Mautone/J.Howman that the Balance Sheet, the Profit & Loss Statement the Directors Report and the Auditors Report be received CARRIED.

APPOINTMENT OF DIRECTORS:

By rotation the following Directors retired: L.Campbell & J. LaSpina (3 year term) and B.Dwyer (one year term) - No new nominations were received.

Moved K.Bendeman/J.Howman L.Campbell & J. LaSpina (3 year term) and B.Dwyer (one year term) be appointed as Directors for a 3 year term. CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved ratified that a 4.5% rebate on members 12 month trading 1st April 2020 to as at the 31st of March 2021 and a 5% dividend on shares was made to members as a credit on their account. CARRIED.

DIRECTORS FEES:

Members were informed that at the Directors Meeting held on 2nd October 2019 Directors reviewed and agreed that there be no increase to the Chairman's Annual Allowance of \$8,000 per annum and that Directors sitting Fees increase to \$250 per day.

Moved M.Bleeser/R.Shaw that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$250 be ratified. CARRIED.

GENERAL BUSINESS:

Special Resolutions: Special Resolutions approved by the Board 06.10.2021 to change rules Background:

In response to growing the TAFCO business and the current strategic plan – it is proposed to expand TAFCO's profile in emerging markets through the creation of a new class of shares being community membership without shareholding.

The aim of introducing a new class of membership is to enable TAFCO to increase sales into the domestic and potential future online markets and for long term sustainability of the business. To implement this a change to rules is required through a Special Resolution as circulated to members.

Moved J.Howman/M.Bleeser that the following amendment to the rules of the Tobacco & Associated Farmers Co-operative Limited be added:

Amendments to TAFCO Rules:

Rule No. 5 to show there are two classes of members:

(a) Class A Shareholder member

(b) Class B Community member without shareholding

Rule No. 16. to include the words 'Class A shareholder' in front of member.

Rule No. 45 (1)(a) and (3) to include the words 'Class A shareholder' in front of member.

CARRIED.

Future Project:

TAFCO has been working with Alpine Health on a community project exploring the concept of early detection skin cancer checks for farmers through a mobile unit.

Members were thanks for their attendance and the meeting closed

MEETING CLOSED 6.15p.m:

CHAIRMAN'S REPORT

It is with great pleasure that I report on behalf of the Board of Directors and my first 12 months as Chairman of the Co-operative - A year of continued change to the business and the environment it works in. TAFCO is undergoing one of the biggest changes in its history with the passing of the steel post from Tony Vaccaro a 30-year contributor to Rupert Shaw our new General Manager.

There is nothing surer than if you don't change, you become irrelevant and this report will outline the adaptation that's is happening as a result of a changing market place. Some of the changes occurring include the economy, inflation, consumer buying habits, more competition, the success's that agriculture is currently experiencing, tight labor markets, the growth of the hops gardens, and the constantly changing regional demographic. All these factors affect the way we deliver a retail experience to our members and customers and ensure that TAFCO remains as relevant today as it was 20 years ago.



A special mention to the role board member and chairman Allan McGuffie (30 years), board members Guido Cossignani (11 years) Katrina Bendeman (6 years) and manager Tony Vaccaro (32 years) have played in ensuring TAFCO has been left as a healthy business that has managed to navigate the cessation of the tobacco industry and other economic and environmental disasters along the way.

I would like to acknowledge Tony's foresight in becoming a member and purchasing AIRR shares in 2006, reaping the rewards of the Elders buy out which was favorable to the business. During the Financial Year the Board have converted 50% of Elders shares into cash as part of our risk management strategy and long term considerations for our TAFCO shareholder members. Tony has left the business for a well-earned break with his wife Cathy and their new caravan. I would ask you to call in and meet your new general manager Rupert Shaw who was previously the general manager of Bright Brewery. Rupert has experience in working with strategic business management, fast-moving consumer goods and has a passion for community development.

I would like to acknowledge the hard working board members who have been supportive of me but have driven the changes that have been needed to adapt to the changes experienced over the last 12 months including Jake Howman (Deputy Chairman) , Joe La Spina, Ange Grassi, Bronwyn Dwyer, Stef Antonello and Michael Bleeser. I would like to acknowledge Sue Briggs and David Parmesan as sub committee members of RapidFert and the audit committee for their professional expertise and support.

I would like to acknowledge our staff who have lost a their leader of 32 years and have been able to adapt to the change in management, ongoing heightened level of emphasis on workplace health and safety, not a day was lost as a result of the Covid shut down. Our staff are the face of the business providing membership support and a unique customer experience we would like to sincerely thank Glenn Cousins, Gerard Sacco, Ron Long, Mitch Clark, Tony Vescio, Tracey Whitehead and Ian Gamble together with Bill Stonnill and Phil Harbour at Rapidfert and Louise Benini our farmers Market Co-ordinator for their support and hard work over the past year.

Directors issued a 5% rebate on trading (\$308,926) and a 5% dividend on shares (\$30,352) which was paid in June 2022. \$339,000 distributed back to our 700 members. Over the history of TAFCO \$4,632,892 has been returned to our members showing how valuable cooperatives are for the well-being of the communities in which they work.

TAFCO the business has been growing as your support increases with sales of \$8.49 million (up \$1m from \$7.39 last year), the highest turnover recorded. We have a record number of 700 members as of the 30th June, the highest on record since TAFCO began in 1987.

To innovate, TAFCO is opened up membership to the community through the introduction of a new class of membership. A community membership (Class B) that does not hold shares. Similar to loyalty schemes existing in other business models, the Board believes this is a positive step in securing long term sustainability for the cooperative. Rebates and dividends will continue to be paid to existing shareholder members and a loyalty scheme for community members. This new development reflects the changing demographic that's occurring in the region. In its first month we have signed up 65 class B shareholders, a special thank you to Kerry Murphy for this exciting growth opportunity.

To grow and provide additional services, TAFCO has become the whole owner of RapidFert the bulk fertiliser handler and spreading business. A part-time agronomist has been appointed to support our members improve productivity and sustainability. A strategic plan and heightened level of governance have been undertaken with 4 members of the board and executive undertaking the Australian Institute of Company Directors' cooperatives and mutuals governance course. I would like to acknowledge Jake Howman who has established an Audit sub committee with David Parmesan and Rupert Shaw to provide rigor and advice into the financial governance and accountability of the business.

TAFCOs member's services are growing with many of the activities supporting our member's day to day activities, building the community's strength whether it's business, social or environmental. Member's activities that support the communities you live in, the businesses you run and the environment you live in are all important values of a co-operative. We see this as an important part of the business and will continue to look to opportunities to support our membership base.

Some of the activities that were delivered during the year include R U Bugged Mate – Sunday Roast at REMEL supporting our communities mental health, the monthly accredited Myrtleford Farmers Market offering a commercial opportunity for our members and a social opportunity for our community, agvet chemical courses conducted to support our farmers protect the environment they work in, and the Melbourne International Flower Show ladies bus trip back post covid fully subscribed with two buses.

We are currently working with a range of partners on a mobile Skin Cancer van project – new community project with Alpine Health, Bright Rotary, Bendigo Bank & Myrtleford Chamber of Commerce. This will enhance the health of our members through the early detection of skin cancer. Finally the network of weather stations which are being upgraded due to aging infrastructure and the provision of smart farming SMS alerts.

The TAFCO Board were faced with the enormous responsibility of finding a new Manager for the co-operative and Rapidfert. Our HR & Remuneration committee chaired by Bronwyn Dwyer worked extensively on developing what was needed to lead the co-operative into a new era. Key attributes for the role included:

- Place high value on our members, community, and team
- Ability to create a strong safety culture
- Be honest and ethical, and have integrity in all dealings
- Be down-to-earth, approachable, and pragmatic
- Inclusive leadership style and growth mindset
- Business acumen and financial management and trading capability
- Retailing, pricing, and stock control capability

In closing I would like to assure our members that the board is charged with protecting the brand value built over 30 years, while successfully competing in a challenging economic environment. Providing a safe operating environment, training opportunities for our staff, the continued growth of the business, low employee turnover a stable growing and loyal membership, and contributions to the local community are all values of the Board. The agricultural landscape is changing within the region and so is TAFCO's member base. Being profitable, remaining relevant to members, providing quality goods and services and giving back to the community is key and forefront to our decision-making as we continue to explore opportunities that come along.

Finally to our members, a cooperative exists for you, it is through your support that we continue to be a leading supplier of quality goods and services to the region.

Lachlan Campbell Grad. AICD Chairman



DIRECTORS QUALIFICATIONS & EXPERIENCE:

Lachlan Campbell - Chairperson

Joined the Board in February 2010 having spent 4 years as an observer Director. Lachlan is a member of TAFCO's HR and Remuneration committee and a founding committee member of the Myrtleford Farmers Market. Lachlan has an Associate Diploma of Applied Science Horticulture and is a graduate of the Australian Institute of Company Directors course.

A past graduate and chairman of the Alpine Valley Community leadership program, an advisor to the Charles Sturt University curriculum committee for their environmental science program and a past board member of Parks Victoria. He is a committee member of the Oxley reserve committee and a 30yr member of the CFA. Together with his wife, manages a vineyard and wine business for the last 25 years and has been involved in the wool and meat industries.

Past Executive Officer with the Alpine Valleys Agribusiness Forum. Lachlan is also a Director of TAFCO Rapidfert.

Jake Howman - Deputy Chairperson

Joined the Board in October 2019. Bachelor of Commerce at the University of Melbourne specialising in Accounting and Finance before working for international accounting firm Ernst & Young in the Entrepreneurial Growth Markets division. Jake currently works as an independent Risk Management Consultant Working for Assorted insurance companies (9 years) in addition to Operating an Agricultural and Environmental services business and our families beef cattle farming operations based in Rosewhite.

Jake also has Certificate 4 in Agriculture and Cert 3 in Hospitality and Tourism and has attended TAFCO's in house Directors Co-operative Governance Training Workshop in November 2019 and completed the Australian Institute of Company Directors Course in 2021 and chairs TAFCO Finance & Audit Committee

Angelo Grassi:

Joined the Board in November 2007. Angelo is a qualified Motor Mechanic and Auto Electrician. Has a Certificate 4 in Training and Assessing, Viticulture and Horticulture. Ange is a former tobacco and grape grower and operates two private businesses including a motor workshop and Licenced Gun Dealer.

Angelo is a former Director of the Tobacco Co-operative of Victoria Ltd, past president of the Wangaratta Clay Target Club and is a volunteer member of his local CFA.

Joe LaSpina Joined the Board in April 2007 having spent 9 years as an observer Director.

Joe has a Certificate 4 in Agriculture with 32 years experience in running a multi commodity family farming enterprise. Accounts, ordering, staffing, sales, horticultural grower and transport logistics. Joe is currently a Supervisor at Alpine MDF.

Bronwyn Dwyer

Joined the Board as an observer Director in 2020. Bronwyn chairs TAFCO's HR & Remuneration committee. Having moved to Nug Nug in 2018, Bronwyn has a Bachelor of Science (Environmental Science) and brings significant skills in the area of environment and risk management to the Board. Bronwyn has a farming background and competencies include management/leadership, compliance, management systems, auditing, risk assessment and emergency response. A former environmental protection officer, senior Environmental Advisor, Environment & Sustainability Manager/Environmental Compliance Risk Lead with BP Australia. Bronwyn completed the Australian Institute of Company Directors Course in 2021 and is a graduate of the Alpine Valleys Leadership Program.

Tobacco & Associated Farmers Co-operative Ltd Annual Report 2021-2022

Stefano Antonello:

Joined the Board in December 2021. Stef has a Bachelor of Applied Science (Animal Physiology, Biochemistry and Bachelor of Applied Science in Winemaking. Together with his brother, Stef operates a multi-commodity farming enterprise with 250 head breeding herd of angus cattle, winegrapes, chestnuts and styrian pumpkin seeds.

Stef was a founding member of the Alpine Valleys Grape Gower Association and is a current member of the North East Wine Zone.

Most recently Stef completed the Australian Institute of Company Directors Course (co-operatives) in 2022 and is a member of TAFCO's HR & Remuneration Committee.

Michael Bleaser

Joined the Board in 2021 as an observer director and filled vacancy from April 2022. Until 2019 Michael ran a transport business for 20 years with depots in Mildura and Melbourne running a fleet of 18 B-Double trucks and a concrete & garden supplies business in Mildura for 9 years. Michael now operates a 600 acre beef operation in Rosewhite (since 2015) Michael brings a wealth of practical logistics and small business operations to the Board and is a Director of TAFCO Rapidfert.

Guido Cossignani retired 06.10.21

Katrina Bendeman retired 06.04.22

Kerry Murphy - Secretary

Kerry joined the co-operative as Secretary in July 1988. Kerry has a Diploma of Business specializing in Management, is a graduate of the Alpine Valleys Womens Leadership & Governance Program and has extensive project management experience.

A former Board Member of Alpine Valleys Agribusiness Forum, Treasurer Victorian Farmers Federation (Horticulture Group), Chair of the VFF Agriculture & Vet Chemical Committee, Director of AusChem Training Victoria and has had ministerial appointments including the Victorian Agricultural Chemicals Advisory Committee.

Kerry is a recipient of the Alpine Shires Local Achievers Australia Day Award and is Secretary to the Myrtleford Chamber of Commerce & Industry Inc. and completed the Australian Institute of Company Directors Course in 2021.

Board Meeting attendance 2021-2022

	07.07.21	04.08.21	06.10.21	01.12.21	02.02.22	06.04.22	01.06.22
Lachlan Campbell	✓	✓	✓	✓	✓	✓	✓
Katrina Bendeman	✓	✓	✓	✓	✓	resigned	
Guido Cossignani	✓	Apology	resigned				
Bronwyn Dwyer	✓	✓	✓	✓	✓	✓	✓
Angelo Grassi	✓	✓	✓	✓	✓	Apology	✓
Jake Howman	✓	✓	✓	✓	✓	✓	✓
Joe LaSpina	Apology	✓	✓	✓	✓	✓	Apology
Stef Antonello (01.12.21)			✓	✓	✓	✓	✓
Michael Bleaser (06.04.22)			✓	✓	✓	✓	✓

DIRECTORS REPORT:

In accordance with the Co-operative National Law, your Directors submit their report together with audited financial statements for the year ended 30th June 2022:-

- (a) The names of the directors in Office for the period of this Report 01.07.2021 to 30.06.22 are; listed on the first page of the Annual Report.
- (b) The principal activity of the co-operative is to provide a retail outlet for agricultural products and Merchandise. There were no significant changes in the nature of these activities during the year.
- (c) The net amount of profit and loss of the Co-operative for the Financial year ended 30th June 2022, was an operating profit before income tax of \$561,895 (previous year \$393,906)
- (d) A total of 606,801 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 5% dividend (\$30,352) & a 5% rebate on trading (\$308,926) which was paid on the 29th June 2022.
- (f) The operations of the Co-operative are not subject to any special environmental regulations.
- (g) At the date of this Report, no change to assets of the co-operative which has arisen since the end of the Financial Year and secures the liabilities of any other person AND the Directors at the time of this Report believe that there is NO contingent liability which has arisen since the end of the financial year.
- (h) At the date of this Report, the Directors were not aware of any circumstances not otherwise dealt with in the report or accounts which would render any amount stated in the accounts misleading.
- (i) In the opinion of Directors, there has not arisen during the interval of the end of the Financial Year and the date of this Report, any item, transaction or event of a material and unusual nature likely to substantially affect the results of the operations of the Co-operative for the next succeeding Financial Year.
- (j) The Directors have not during the course of the year or since the end of the year granted to a person an option to have issued to him shares in the Co-operative
- (k) Since the end of the financial year, no Director has received or become entitled to receive a benefit, by reason of a contract made by the Co-operative with the Director or with a firm which he is a member or with a company in which he has a substantial financial interest.
- (l) No Indemnities or insurance premiums have been paid during or since the end of the financial year for a person who is or has been an officer or auditor of the Co-operative

in accordance with a resolution of the Board and is signed for and on behalf of the Directors at Myrtleford on 5th October 2022



LACHLAN CAMPBELL
Chairman



JAKE HOWMAN
Deputy Chairman

DIRECTORS DECLARATION:

In accordance with a resolution of the Board of Directors we, LACHLAN CAMPBELL and JAKE HOWMAN being two Directors of the Tobacco & Associated Farmers Co-operative Limited, state on behalf of and in accordance with a resolution of the Directors, that, the Directors have determined that the co-operative is a small co-operative and that the Financial Reports are a true and fair view of the state of affairs.

The Directors of the co-operative declare that:

The accompanying Financial Statements and notes for the financial year 1st July 2021 to 30th June 2022, are prepared in accordance with the *Co-operatives National Law Application Act 2013 and Co-operatives National Law (Victoria) Local Regulations 2014*, and:

give a true and fair view of the state of affairs of the Co-Operative for the financial year 1st July 2021 to 30th June 2022; and comply with Australian Accounting Standards.

At the date of this declaration, there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

Declared at Myrtleford on 5th October 2022
ON BEHALF OF THE BOARD.



LACHLAN CAMPBELL
Chairman



JAKE HOWMAN
Deputy Chairman

Detailed Profit and Loss Statement

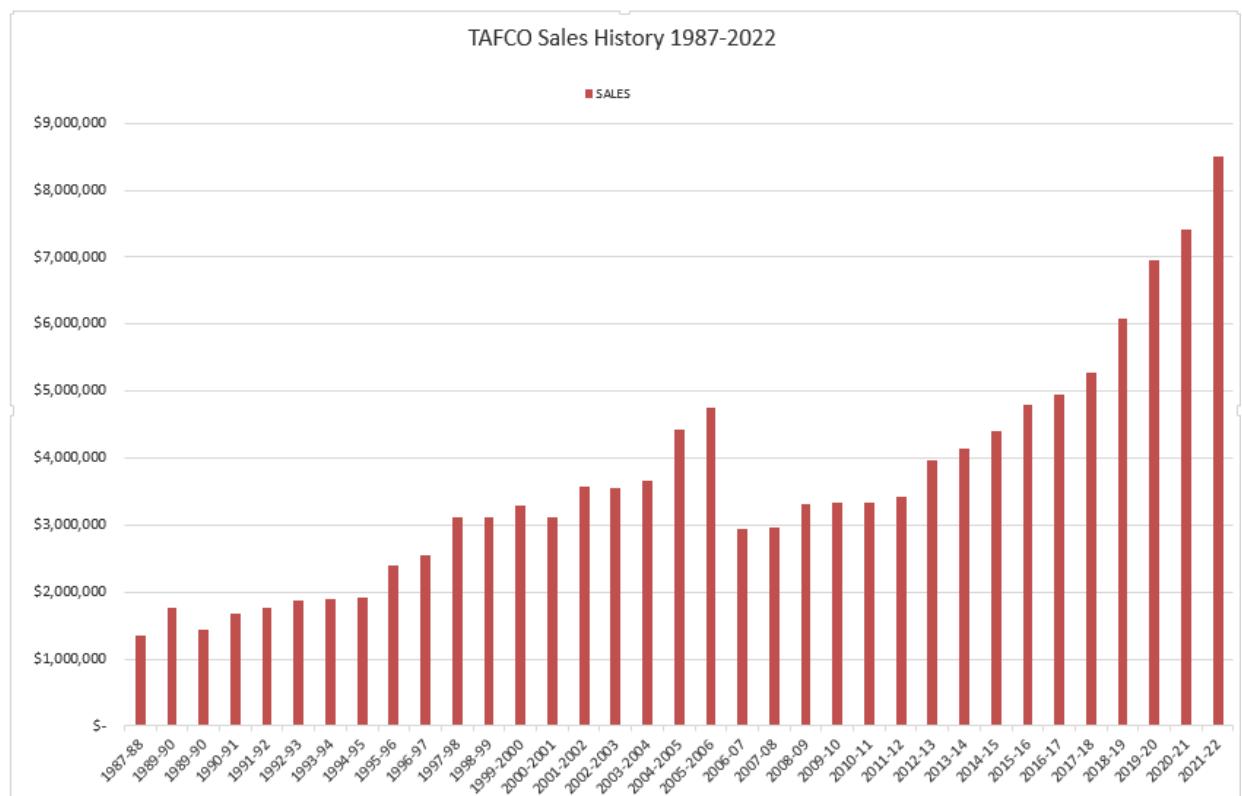
	2020-2021	2021-2022
Revenue		
Sales	7,391,228.59	\$8,494,399.41
Rounding	0.00	0.45
Total Revenue	\$7,391,228.59	\$8,494,399.86
Cost of Goods Sold		
Purchases	6,210,757.69	\$7,190,413.76
Inwards Freight	72,191.43	\$107,142.06
Stock Movement	118,558.42	\$37,059.14
Total Cost of Goods Sold	\$6,401,507.54	\$7,334,614.96
Trading Gross Profit	\$989,721.05	\$1,159,784.90
Other Income		
Administration Fee-Rapidfert	12,000.00	\$12,000.00
Commission Received	4,536.00	\$5,968.22
Farmers Market-Site Fees	6,619.86	\$11,255.66
Fuel-Rebate	3,859.00	\$4,392.88
Interest Received - Debtors	5,321.28	\$5,592.23
Sundry Income	0.00	\$212.64
Sundry Income-Cash Flow Boost	29,562.75	
Profit/Loss on Sale of Fixed A	5,155.00	\$226,898.74
Project Funding	15,336.02	\$39,115.42
Rebates-Merchandise	161,644.90	\$180,420.47
Rent Received	25,995.96	\$32,494.95
Interest Received - Bank	1,714.14	\$7,045.47
Dividends-Incitec Shares	0.00	\$104.50
Dividends-AIRR Shares	0.00	\$995.20
Dividends-Elders Shares	33,718.33	\$24,246.15
Dividends-TAFCO Rapidfert	6,750.00	
Training Income	13,100.00	\$17,930.00
Wages Reimbursement	6,932.88	\$6,089.86
Total Other Income	\$332,246.12	\$574,762.39
Total Gross Profit	\$1,321,967.17	\$1,734,547.29
Expenses		
Accounting	3,000.00	\$4,400.00
Advertising	9,709.96	\$8,481.58
A.G.M. Expenses	156.55	\$80.82
Agronomy Service	4,800.00	\$0.00
Amenities	2,567.16	\$3,595.36
Audit Fees	11,000.00	\$9,500.00
Ammortisation - Goodwill	2,500.00	\$2,500.00
Bank Charges	13,179.87	\$14,839.33
Chairmans Allowance	7,666.71	\$7,779.30
Chep Pallet Hire		\$1,698.64
Cleaning	8,030.77	\$6,808.95
Computer Lease	1,316.18	\$0.00

Tobacco & Associated Farmers Co-operative Ltd Annual Report 2021-2022

<u>Detailed Profit and Loss Statement</u>	2020-2021	2021-2022
Computer Training & Support	13,089.53	\$29,320.03
Depreciation - Plant	33,239.00	\$22,361.00
Directors Expenses	18,474.83	\$23,936.04
Directors Training/Workshop	2,322.44	\$7,304.36
Doubtful Debts	10,971.00	\$49,171.00
Electricity/Heating-215 Myrtle	2,985.56	\$3,212.19
Electricity/Heating-231 Myrtle	0.00	\$7,900.00
Employment Contracts	0.00	
Employment Recruiting	0.00	\$7,900.00
Entertainment	778.00	\$161.50
Farmers Market Expenses	9,729.17	\$11,139.47
Farmers Training Courses	8,818.24	\$15,223.99
First Aid Allowance	1,122.00	\$1,179.74
Forklift-Repairs & Maintenance	5,305.73	\$1,580.47
Health & Safety Check	0.00	\$2,250.00
Insurance Claim Excess	500.00	
Insurance - General	19,882.91	\$22,912.95
Legal Fees	0.00	\$2,476.00
Licences, Regos, Permits	0.00	\$956.53
Medical Expenses	1,270.75	\$637.21
Meeting Expenses	545.45	\$1,038.74
Membership-Agsafe	680.00	\$700.00
Membership-Co-ops NSW	1,476.00	\$1,522.00
Membership-V.F.F.	860.00	\$860.00
Member Fees-A.I.R.R.	6,399.96	\$6,399.96
Motor Vehicle - Fuel (Ranger)	3,726.79	\$4,211.58
Motor Vehicle - Running Exp (Ranger)	88.09	\$3,048.14
Postage	7,767.71	\$6,288.78
Printing And Stationery	9,143.81	\$8,573.50
Printer/Copier Rental	2,303.16	\$2,009.37
Project Funding Expenses	15,335.02	\$39,115.42
Rates & Taxes-215 Myrtle St	6,852.38	\$6,424.53
Rates & Taxes-231 Myrtle St	3,646.10	\$3,539.45
Repairs & Maintenance - Plant	653.00	\$3,092.60
Repairs & Maint.-215 Myrtle St	4,924.65	\$6,970.18
Repairs & Maint.-231 Myrtle St	110.00	\$0.00
Replacements-Instant Asset W/O	86,146.03	\$56,747.15
Security	2,547.13	\$2,753.61
Seminars & Conferences	0.00	\$1,114.35
Signwriting	120.00	\$19,785.00
Special Write Off Building	12,113.00	\$12,045.00
Subscriptions	534.45	\$235.00
Superannuation - Staff	69,225.67	\$91,363.01
Staff Training	2,333.64	\$3,725.00
Telephone	11,302.17	\$11,619.72
Trainee Payments	0.00	\$250.00

Tobacco & Associated Farmers Co-operative Ltd Annual Report 2021-2022

<u>Detailed Profit and Loss Statement</u>	2020-2021	2021-2022
Travelling & Accommodation	847.17	\$54.55
Travelling & Accommodation-VFF	0.00	\$1,252.66
Truck - Fuel	9,907.88	\$14,478.24
Truck - Running Costs	5,033.93	\$3,108.06
Uniforms	2,876.92	\$2,179.64
Utility - Fuel (Mitsubishi)	1,788.32	\$2,299.14
Utility - Running Exp (Mitsubishi)	1,448.60	\$3,317.73
Utility - Fuel (Ford/Nissan)	1,323.28	\$1,410.00
Utility Running Exp (Ford/Nissan)	4,073.16	\$666.51
Wages	450,449.68	\$580,985.76
Web Page Setup & Maintenance	598.64	\$544.55
Workcover	8,463.39	\$7,516.55
Default	0.00	\$0.00
Total Expenses	\$928,061.54	\$1,172,651.94
Net Profit / (Loss)	\$393,905.63	\$561,895.35



Detailed Balance Sheet

Account		2020-2021	2021-2022
Current Assets			
	Cash on Hand	1,000.00	1,000.00
	Petty Cash	200.00	200.00
	Trade Debtors	266,038.36	757,743.71
	Less: Provision Doubtful Debts	(26,603.00)	(75,774.00)
	Other Debtors:		5,331.52
	Other Debtors - GST	0.00	32,651.12
	Bendigo Bank Term Deposit	10,114.01	10,131.80
	Business Online Saver Account	82,205.61	82,220.79
	A.N.Z. Account 47723-Chq. A/C	1,051,545.18	549,143.56
	ANZ Shareinvest Cash A/c		473,289.36
	Rapidfert MAN Truck Loan		211,307.14
	Inventory	748,190.19	711,131.05
	Shares-Elders	966,711.90	550,157.82
	Shares - Incitec Pivot	9,662.80	13,438.60
	Shares-Tafco Rapidfert @ Cost	675,000.00	900,000.00
	Loan A/C-Members re GST	14,748.26	(32,143.98)
	Less:Provision for Ammort.	(20,000.00)	(22,500.00)
Total Current Assets		3,778,813.31	4,167,328.49
Fixed Assets			
	Land 231 Myrtle St @ Dir. Val.	85,000.00	104,500.00
	Build. 231 Myrtle @ Dir. Val.	279,000.00	348,000.00
	Buildings-215 Myrtle Street	476,889.27	768,250.07
	Less:Accum. Write-Off	(242,438.00)	(254,483.00)
	Build. 231 Myrtle-Shed Part.	4,250.00	4,250.00
	Plant & Equipment @ Cost	315,172.73	315,172.73
	Less: Accumulated Depreciation	(217,894.00)	(240,255.00)
	Land 215 Myrtle St @ Dir. Val.	213,000.00	340,000.00
Total Fixed Assets		912,980.00	1,385,434.80
Intangible Assets			
	Goodwill @ Cost Ex M.G.	50,000.00	50,000.00
Total Intangible Assets		50,000.00	50,000.00
Total All Assets		\$4,741,793.31	\$5,602,763.29
Current Liabilities			
	Prepaid Income	26,985.25	38,313.56
	Provision for Income Tax	(721.92)	32,229.46
	Trade Creditors	767,400.98	1,008,534.15
	Accrued Creditors	(5,681.15)	15,537.51
	Other Creditors		76,887.00
	Provision for Annual Leave	30,817.00	19,827.00
	Provision for Long Service	90,045.00	61,270.00
Total Current Liabilities		908,845.15	1,252,598.68

Tobacco & Associated Farmers Co-operative Ltd Annual Report 2021-2022

<u>Detailed Balance Sheet</u>		2020-2021	2021-2022
Long Term Liabilities			
	Suspense Account-Clearing	13,787.00	0.00
Total Long Term Liabilities		13,787.00	0.00
Total All Liabilities		\$922,632.15	1,252,598.68
Net Worth		\$3,819,161.16	\$4,350,164.61
Equity			
	Income Tax Expense	(27,184.07)	(68,612.23)
	Members Rebate	(244,238.49)	(308,926.87)
	Members Dividend	(29,799.25)	(30,352.55)
	Transfer General Reserve	(18,336.00)	(24,664.16)
	Under Provision Income Tax		(298.97)
	Long Service Leave	(5,466.00)	28,775.00
	Annual Leave	373.00	10,990.00
	Ordinary Shares - Fully Paid	595,985.00	606,801.00
	Retained Profits/Losses	(1,812,064.84)	(2,136,715.65)
	Capital Profit Reserve	697,306.94	697,306.94
	General Reserve	304,809.00	329,473.16
	Asset Revaluation Reserve	928,237.83	1,254,955.55
	Profit & Loss Brought Forward	3,429,538.03	3,991,433.38
Total Equity		3,819,161.15	4,350,164.60
Total All Equity		\$3,819,161.15	4,350,164.60

Statement of Cashflows**2021-2022**

Source of Funds	Description	Amount
	A.N.Z. Term Deposit	502,401.62
	Accrued Creditors	21,218.66
	Annual Leave	10,617.00
	Asset Revaluation Reserve	326,717.72
	General Reserve	24,664.16
	Inventory	37,059.14
	Less: Accumulated Depreciation	22,361.00
	Less: Provision Doubtful Debts	49,171.00
	Less: Accum. Write-Off	12,045.00
	Less: Provision for Ammort.	2,500.00
	Loan A/C-Members re GST	46,892.24
	Long Service Leave	34,241.00
	Ordinary Shares - Fully Paid	10,816.00
	Other Creditors	76,887.00
	Prepaid Income	11,328.31
	Profit & Loss Brought Forward	561,895.35
	Provision for Income Tax	32,951.38
	Shares - Elders	416,554.08
	Trade Creditors	241,133.17
		2,441,453.83
Application of Funds	Description	Amount
	A.N.Z. Share Invest A/c	473,289.36
	Bendigo Bank Term Deposit	17.79
	Build. 231 Myrtle @ Dir. Val.	69,000.00
	Buildings-215 Myrtle Street	291,360.80
	Business Online Saver Acc	15.18
	Income Tax Expense	41,428.16
	Land 215 Myrtle St @ Dir. Val.	127,000.00
	Land 231 Myrtle St @ Dir. Val.	19,500.00
	Members Dividend	553.30
	Members Rebate	64,688.38
	Other Debtors	5,331.52
	Other Debtors-GST	32,651.12
	Provision for Annual Leave	10,990.00
	Provision for Long Service Leave	28,775.00
	Rapidfert MAN Truck Loan	211,307.14
	Retained Profits/Losses	324,650.81
	Shares - Incitec Pivot	3,775.80
	Shares-TAFCO Rapidfert @ Cost	225,000.00
	Suspense Account-Clearing	13,787.00
	Trade Debtors	491,705.35
	Transfer General Reserve	6,328.16
	Under Provision Income Tax	298.97
		2,441,453.83

Notes to the Financial Statements:

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have 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.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Loans and Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

(c) Intangible Assets

Goodwill

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when there is objective evidence the business has been impaired. Impairment losses are calculated based on the directors' assessment of the business's recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

(d) Impairment of Assets

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

(e) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability. Trade and other payables are subject to normal credit terms (30–60 days) and do not bear interest.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions.

(g) Provisions

Provisions are recognised when the company 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 reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(i) Goods and Services Tax (GST)

Revenues, 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 (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

Note 2: Contributed Capital

	2022	2021
606,801 Ordinary shares at \$1.00 each fully paid	\$606,801	\$595,985

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Independent Auditors Report

To the members,

In my/our opinion:

1. The accompanying financial report is properly drawn up in accordance with the provisions of the Co-operatives National Law (Victoria), including:
 - a. giving a true and fair view of:
 - i. the state of affairs of the co-operative at 30th of June 2022 and of the results and cash flows of the co-operative for the period/year ended on that date; and
 - ii. the other matters required by Section 283 of the Co-operatives National Law (Victoria) to be dealt with in the financial statements; and
 - b. complying with applicable Accounting Standards and other mandatory professional reporting requirements
2. The accounting records and other records, and the registers required by the Act to be kept by the co-operative have been properly kept in accordance with the provisions of the Co-operatives National Law (Victoria).
3. I have been given all information, explanations and assistance necessary for the conduct of the audit.

Dated at MYRTLEFORD this 9th day of September 2022



..... (Signed)

SAM P MAROTTA - PostGRAD (Acctg); Fellow NTAA; Fellow NTAA *Plus*; RTA; JP

REGISTERED COMPANY AUDITOR Reg No: 8799

Telephone: 03-57511411

Auditors Independence Declaration

Auditor's Independence Declaration under Section 283 of Co-operatives National Law (Victoria) and Section 307C of the Corporations Act 2001

To: The Directors of Tobacco and Associated Farmers Co-operative Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30th of June 2022, there have been no contraventions of:

1. the auditor independence requirements as set out in the Co-operatives National Law (Victoria) in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.



..... (Signed)

SAM P MAROTTA - PostGRAD (Acctg); Fellow NTAA; Fellow NTAA *Plus*; RTA; JP

REGISTERED COMPANY AUDITOR Reg No: 8799

Telephone: 03-57511411

NOMINATION FORM

ANY SHAREHOLDER WHO WISHES TO NOMINATE A MEMBER TO SERVE AS A DIRECTOR OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LTD AT THE ANNUAL GENERAL MEETING PLEASE FILL IN THE DETAILS BELOW AND RETURN TO SECRETARY BEFORE FRIDAY 18th November 2022 Rule 47 (5)(d)

(**N.B. Nomination Forms are not required for existing Directors.)

I (Name)

(Address) of,

Signed:

I (Name)

(Address) of,

Signed:

Being Shareholders in The Tobacco & Associated Farmer's Co-operative, wish to nominate the following person to serve as a Director on the Board of TAFCO.

I (name)

of (address).....

.....

being a shareholder of the Tobacco & Associated Farmer's Co-operative Ltd hereby accept the above nomination and will provide to members details as required under the Co-operatives National Law 2013 and according to the Rules of the Co-operative Section 47(5):-

- i. Date of Birth
- ii. Qualifications and experience
- iii. Length of any previous service as a director of the co-operative or with any other co-operative

Signed by Nominee :Dated :.....

Please return to : The Secretary

The Tobacco & Associated Farmer's Co-operative,

P.O. Box 277

MYRTLEFORD. 3737.

Or hand deliver to TAFCO Rural Supplies, 215 Myrtle St, Myrtleford before 18th November 2022