



**TAFCO**

**TAFCO**  
RURAL SUPPLIES

ANNUAL REPORT  
to MEMBERS  
2008-2009

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**BOARD OF DIRECTORS:**

Mr. Colin McCORMACK                      Chairman  
Mr. Allan McGUFFIE                      Deputy Chairman  
Mrs. Julie CARROLL  
Mr. Paul DALBOSCO  
Mr. Angelo GRASSI  
Mr. Joe LASPINA  
Mr. Antonio (Nino) MAUTONE

**Observer Directors:**

Mr. Lachlan CAMPBELL  
Mr. Walter SARTORI

**SECRETARY:**

Ms. Kerry MURPHY

**MERCHANDISING MANAGER:**

Mr. Tony VACCARO

**STAFF:**

Mr. Glenn COUSINS  
Mr. Ben NICOLL  
Mr. Tony LaSPINA (deliveries)  
Mr. Gary Baxter – SMARTchoice Project Officer  
Jordan IVONE (trainee until 30<sup>th</sup> June 2008)

**AUDITOR:**                      Mr. Sam MAROTTA

**ACCOUNTANTS:**              ALPINE TAX

**BANKERS:**                      ANZ Banking Group - MYRTLEFORD BRANCH

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**NOTICE TO MEMBERS.**

**NOTICE** IS HEREBY GIVEN OF THE 23<sup>rd</sup> ANNUAL GENERAL MEETING OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, to be held at TAFCO RURAL SUPPLIES 215 Great Alpine Road, Myrtleford on THURSDAY 11<sup>th</sup> FEBRUARY 2010 commencing at 5.00p.m

**BUSINESS:**

1. Attendance & Apologies
2. Confirmation of the Minutes of the 22<sup>nd</sup> Annual General Meeting held on Thursday 12<sup>th</sup> February, 2009
3. Business Arising
4. Chairman's Report
5. Managers Report
6. Receiving & Adopting of the: (a) Profit & Loss Statement  
(b) Balance Sheet  
(c) Directors Statement (Declaration)  
(d) Auditors Report
7. Appointment of Directors: By rotation, the following Directors retire: Colin McCormack and Joe LaSpina. Julie Carroll is also retiring. Joe LaSpina is available for re-election while C.McCormack and J.Carroll are not standing. Walter Sartori and Lachlan Campbell have been nominated to fill vacancies and have acted as observer Directors. *(Additional nomination forms on last page of report)*
8. Ratification of Rates of Dividend, Bonus & Rebates.  
At the Directors meeting held on the 24<sup>th</sup> June 2009 a motion was carried issuing a 7.5% dividend to members and a 3% rebate on members trading 01.04.08 to 31.03.09
9. Directors Fees - Ratification  
At the Directors Meeting held on the 24<sup>th</sup> June 2009, a motion was carried that the Chairman's Annual Allowance remain at \$8,000 per annum and the Directors Sitting Fee- Day Allowance be increased to \$150 per day for ratification at AGM.

**By Order of the Board.**  
**Kerry Murphy.**  
**(SECRETARY)**

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**MINUTES OF THE 22<sup>nd</sup> ANNUAL GENERAL MEETING OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, HELD ON THE 12<sup>th</sup> FEBRUARY 2009 AT TAFCO RURAL SUPPLIES MYRTLEFORD WHICH COMMENCED AT 5.20p.m.**

**PRESENT:**

C.McCormack, A.McGuffie, L.Campbell, J.Carroll, J.LaSpina, N.Mautone, D.Michelini, W.Sartori, T.Vaccaro & K.Murphy

**APOLOGIES:** P.Dalbosco, A.Grassi, P.Burrowes.

**MINUTES:**

Moved J.Carroll/A.McGuffie that the Minutes of the 21<sup>st</sup> Annual General Meeting, held on Thursday 22<sup>nd</sup> November 2007 be confirmed.

CARRIED.

**BUSINESS ARISING:** Nil

**CHAIRMAN'S REPORT:**

In addition to the written report included in the Annual Report to members, the Chairman gave notice that this would be his final year as Chairman. Lachlan Campbell and Walter Sartori were welcomed to the board as observer Directors .

The Chairman encouraged TAFCO to think about new ideas and look outside the square. The ability to attract Caring for Our Country funding and continuation of the SMARTchoice project has been a bonus to TAFCO's business.

Members, staff and Directors were thanked for their support during the year.

A.McGuffie noted Colin's leadership over the past 20 years and thanked him for his contributions and "leading from the front".

Moved J.LaSpina/A.McGuffie that the Chairman's Report be received.

CARRIED.

**MANAGERS REPORT:**

The Manager, Tony Vaccaro reported on another successful year with a turnover just short of \$3 million. With a profit of approximately \$160,000 and combined rebate dividends of \$112,000 returned to members, TAFCO was ahead of its recovery plan since the loss of tobacco.

Expenses were reduced by \$20,000 during the year –

Ben Nicoll who took up a position with Gallagher Animal Systems at the beginning of the financial year was thanked for his contributions during his 12 years with TAFCO.

The SMARTchoice project with Gary Baxter on staff has been an added bonus to TAFCO's business.

The staff and Directors were thanked for their support and co-operation and again the members were thanked for their continuing support.

J.Carroll/L.Campbell moved a vote of confidence in the Manager for another successful year.

CARRIED.

Moved A.McGuffie/L.Campbell that the Managers report be received.

CARRIED.

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**FINANCIAL REPORTS:**

Moved W.Sartori/J.LaSpina 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:

Julie Carroll, Nino Mautone & Paul Dalbosco

No further nominations were received.

There being no other nominations received by close of business on Monday 9<sup>th</sup> February 2009, the meeting confirmed the re-appointment of the retiring Directors for a further 3 year term.

Moved A.McGuffie/J.LaSpina that Julie Carroll, Nino Mautone & Paul Dalbosco be appointed as Directors for a 3 year term.

CARRIED.

**RATIFICATION OF RATES & DIVIDEND:**

Moved J.Carroll/A.McGuffie ratified that a 2.5% rebate on members trading as at the 31st of March 2008 and a 9% 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 16th October 2003 Directors carried a motion that there be no increases and that the Chairman's Annual Allowance of \$8,000 per annum and Directors sitting Fees of \$100 per day remain.

Moved W.Sartori/L.Campbell that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$100 be ratified.

CARRIED.

**GENERAL BUSINESS:**

*1. Bushfire relief effort*

The Chairman had been asked by a member to raise the possibility of TAFCO donating a part of members rebate to the bushfire appeal.

Following discussion it was agreed to refer the request to the TAFCO Board

Members were thanked for their attendance and the meeting closed.

**MEETING CLOSED:** 5.45p.m.

.....  
Chairman dated

**CHAIRMANS REPORT.**

*I am pleased to present the 23<sup>rd</sup> Annual Report, in my twentieth year and final Report as Chairman to members.*

*During extremely difficult times on the land and following the devastating Black Saturday Bushfires of February 2009, TAFCO has continued to provide quality goods and services to our members and remain profitable. Since the loss of tobacco production in 2006 we have demonstrated that while TAFCO has a turnover of \$3,000,000 the Board can maintain a healthy rebate and dividend to members.*

*It is vital that we do not become complacent and the Board together with Management and staff are always exploring options to grow and improve our business and the service we provide.*

*Our delivery service throughout the region has remained a core strength in servicing the King, Kiewa, Ovens and Beechworth areas. TAFCO has welcomed 15 new members this financial year and has implemented a strategy to grow our business in the coming years as we welcome back Ben Nicoll to a new role within our business. (2009)*

*Throughout the year TAFCO has continued to provide a range of opportunities to our members and others through the management of a number of projects which have secured external funding from various bodies.*

*Our major project is the Commonwealth Caring for Our Country funded - SMARTchoice Project. Project officer Gary Baxter continues to work with farmers focusing on the adoption of preferred practices in crop production, soil health, quality assurance and water efficiency. Key crops include permanent pasture such as Lucerne, vegetables, berries and nut production.*

*Improving the access of Rural Financial Counselling Services to Culturally and Linguistically Diverse (CALD) clients in the North East Region of Victoria – was a DPI state funded project conducted earlier in the year. Projects such as these have been beneficial to our members, our business and the wider rural community.*

*Many of our members now work off farm but continue to support TAFCO through their purchases and many have taken up some of the training on offer. The Rural Skills Connect program enabled many of our members to undertake training to assist them in pursuits of finding flexible off farm work. It was disappointing to see this program cease, as there are a number of our members who would welcome the opportunity to participate if the program was ongoing.*

*Our partnerships with other organizations have grown through the year – Our aid to farmers coping after the bushfires saw many of these partners come on board to participate in two field days post Bushfires covering fencing and pasture recovery. The Lions Club also partnered with us in obtaining a pneumatic star post driver mounted on a trailer which remains in our store for members use when fencing items have been purchased.*

*Finally, thank you to my fellow Board members their dedication, friendliness and professionalism. I urge you all to continue to think outside the square and continue discussing ways of improving our co-operative. Finally to TAFCO's greatest asset – our staff – thank you all – you are the key to our business success.*

Mr. Colin McCormack

**CHAIRMAN OF DIRECTORS.**

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**DIRECTORS REPORT:**

In accordance with the Co-Operation Act 1996, your Directors submit their report together with audited financial statements for the year ended 30th June 2009:-

- (a) The names of the directors in Office for the period of this Report 01.07.08 to 30.06.09 are; Colin McCormack, Allan McGuffie , Julie Carroll, Paul Dalbosco, Angelo Grassi, Joe LaSpina, Nino Mautone & and 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 2009, after provisions for income tax was a profit of \$127,612.94
- (d) A total of 609,967 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 7.5% dividend (\$45,729.74) & a 3% rebate on trading (\$75,241.46) which was paid on the 30<sup>th</sup> June 2009.
- (f) The operations of the Co-operative are not subject to 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

**Signed in accordance with a resolution of the Board and is signed for and on behalf of the Directors at Myrtleford on Wednesday 23<sup>rd</sup> December 2009**



**Colin McCORMACK**  
Chairman



**ALLAN MCGUFFIE**  
Deputy Chairman

**DIRECTORS DECLARATION:**

In accordance with a resolution of the Board of Directors we, COLIN McCORMACK and ALLAN McGUFFIE, 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 not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The Directors of the co-operative declare that:

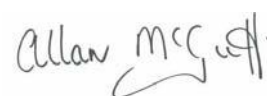
1. The accompanying Financial Statements and notes for the financial year 1st July, 2008 to 30th June, 2009 are prepared in accordance with the *Co-operatives Act 1996*, and:
  - (a) give a true and fair view of the state of affairs of the Co-Operative for the financial year 1st July, 2008 to 30th June, 2009; and
  - (b) comply with applicable accounting standards.
2. 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.
3. The Co-operative has kept such accounting records that correctly record and explain the transaction and financial position of the co-operative.

Declared at Myrtleford on 23<sup>rd</sup> December 2009

ON BEHALF OF THE BOARD.



COLIN McCORMACK



ALLAN McGUFFIE



**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642****Trading as TAFCO RURAL SUPPLIES****Trading Account****For the year ended 30 June 2009**

	2009	2008
	\$	\$
<b>Trading Income</b>		
Sales	3,313,131.86	2,960,690.76
Total Trading Income	3,313,131.86	2,960,690.76
<b>Cost of Sales</b>		
<b>Add:</b>		
Opening stock	475,169.50	383,224.29
Purchases	2,714,172.93	2,610,052.61
Freight	26,898.33	30,059.25
Discount Given to Customers	345.47	255.80
	3,216,586.23	3,023,591.95
<b>Less:</b>		
Closing Stock	341,557.62	475,169.50
	341,557.62	475,169.50
Cost of Sales	2,875,028.61	2,548,422.45
Gross Profit from Trading	438,103.25	412,268.31

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642****Trading as TAFCO RURAL SUPPLIES****Detailed Profit and Loss Statement****For the year ended 30 June 2009**

	2009	2008
	\$	\$
<b>Income</b>		
Trading profit	438,103.25	412,268.31
Commissions received	1,194.91	18,250.62
Dividends received	8,365.31	609.00
Training Income	13,351.80	9,000.00
Insurance Recoveries		971.73
Interest received	3,223.48	7,937.45
Interest Received - Debtors	9,754.16	8,708.91
Reimbursement Wages	2,284.00	865.10
Profit/Loss on sale of assets	1,732.09	6,818.18
Project funding income	128,621.99	127,374.57
Rebate - Fuel	1,023.26	750.06
Rebates-Merchandise	83,848.43	100,429.08
Coolroom Hire		2,988.00
Rent received	9,660.00	8,720.00
Total income	701,162.68	705,691.01
<b>Expenses</b>		
Accountancy	2,042.75	1,955.00
Advertising and promotion	8,430.56	8,473.30
Amenities	1,040.61	1,773.13
Amortisation Preliminary Expenses	873.00	873.00
Amortisation Goodwill	750.00	750.00
Audit fees	8,863.50	8,281.55
Bank fees and charges	6,407.05	6,123.56
Chairmans allowance	7,517.00	8,004.00
Cleaning/rubbish removal	6,616.37	7,080.02
Computer Installation & Training	230.00	774.49
Depreciation - plant	9,309.00	9,349.00
Special - Building W/off	9,432.00	9,270.00
Directors expenses	3,200.00	3,200.00
Donations	220.00	50.00
Doubtful debts	10,184.00	853.00
Electricity & Heating - 215 Myrtle St	3,575.27	3,837.91
Electricity & Heating - 231 Myrtle St		3,093.76
Entertainment	1,467.86	2,898.89
Entertainment-VFF		32.50
Entertainment - Project funding	1,274.29	10,415.52
Farmer Training Courses	12,446.70	4,930.63
Fringe benefits tax	2,799.30	3,041.57
Insurance	13,390.05	13,030.46
Interest - Overdraft	3,521.61	417.34
Lease Forklift	6,445.33	6,967.92
Licences & registrations	672.13	154.80

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642****Trading as TAFCO RURAL SUPPLIES****Detailed Profit and Loss Statement****For the year ended 30 June 2009**

	2009	2008
	\$	\$
Members Fees - AIRR	5,000.00	
M/V car - Fuel & oil	4,777.78	4,640.57
M/V car - Lease	11,822.52	12,216.13
M/V car - Running Expense	2,278.54	2,736.40
M/V Truck - Fuel & oil	6,623.97	6,783.02
M/V Truck - Lease		7,425.44
M/V Truck - Running Expense	1,588.66	4,101.68
M/V Utility - Fuel & oil	1,891.66	2,226.44
M/V Utility - Lease	3,769.90	
M/V Utility - Running Expense	297.77	1,390.87
Open Day Expenses		114.73
Postage	1,409.56	1,406.93
Printing & stationery	7,742.92	7,782.11
Project funding expenses	82,580.17	62,289.99
Rates & land taxes-215 Myrtle Street	3,612.05	2,516.30
Rates & Taxes-231 Myrtle Street	1,531.06	1,218.74
Repairs & maintenance	1,544.09	1,114.39
Repairs & Maintenance-215 Myrtle Street	2,416.60	3,325.29
Repairs & Maintenance.-231 Myrtle Street	230.80	957.82
Repairs & maintenance Forklift	2,308.63	2,061.07
Replacements	307.27	668.63
Secretarial - MV Running Expenses		1,151.90
Security	2,359.50	1,864.00
Seminars	348.18	834.55
Signwriting		450.00
Staff training	933.64	55.00
Subscriptions	700.00	1,780.86
Superannuation	20,249.10	19,256.94
Telephone	13,687.04	16,078.01
Travel, accom & conference	942.23	1,475.61
Travel, accom & Conf - VFF	1,216.47	1,130.00
Uniforms	897.68	516.41
Wages	213,581.00	209,257.96
Wages - Project funding	44,238.75	45,799.50
Web Page Setup & Maintenance	538.18	468.18
WorkCover	2,333.64	2,543.60
Total expenses	564,467.74	543,270.42
Profit from Ordinary Activities before income tax	136,694.94	162,420.59

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642****Trading as TAFCO RURAL SUPPLIES****Profit and Loss Statement****For the year ended 30 June 2009**

	2009	2008
	\$	\$
Operating profit before income tax	136,694.94	162,420.59
Income tax attributable to operating profit (loss)	9,082.00	19,479.00
Operating profit after income tax	127,612.94	142,941.59
Retained profits at the beginning of the financial year		
	311,171.72	285,846.00
Total available for appropriation	438,784.66	428,787.59
Dividends provided for or paid	45,729.74	54,574.20
Aggregate of amounts transferred to reserves	5,201.00	(1,170.00)
Other appropriations	75,241.46	64,211.67
	126,172.20	117,615.87
Retained profits at the end of the financial year	312,612.46	311,171.72

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642**  
**Trading as TAFCO RURAL SUPPLIES**  
**Detailed Balance Sheet As At 30 June 2009**

**Current Assets**

**Cash Assets**

ANZ Cash management account	14,284.88	261,061.40
ANZ Term Deposit	250,000.00	
Cash on hand	300.00	300.00
Petty cash	200.00	200.00
	264,784.88	261,561.40

**Receivables**

Trade debtors	222,966.35	242,255.61
Other Trade Debtors	43,133.04	51,193.43
Less: Provision doubtful debts	(22,297.00)	(12,113.00)
	243,802.39	281,336.04

**Inventories**

Stock on hand	341,557.62	475,169.50
	341,557.62	475,169.50

**Other Financial Assets**

Shares Listed - Incitec Pivot	9,663.00	37,555.00
Shares Unlisted - A.I.R.R.	111,598.00	100,000.00
	121,261.00	137,555.00

**Other**

Prepaid Expenses	228.00	
	228.00	
Total Current Assets	971,633.89	1,155,621.94

**Non-Current Assets**

**Receivables**

Loan Account - Members re GST		3,714.41
		3,714.41

**Property, Plant and Equipment**

Land @ Cost - 215 Myrtle Street	62,000.00	62,000.00
Land @ Cost - 231 Myrtle Street	34,596.50	34,596.50
Buildings 231 Myrtle St @ Dir. Valuation	160,000.00	160,000.00
Buildings - at cost	382,745.93	349,612.00
Buildings 231 Myrtle St - Shed Part.	4,250.00	4,250.00
Less: Accumulated Write Off	(100,135.00)	(90,703.00)
Plant & equip - at cost	123,905.10	151,695.38
Less: Accumulated depreciation	(70,889.00)	(88,274.00)
	596,473.53	583,176.88

**Intangible Assets**

Goodwill	15,000.00	15,000.00
Less: Accumulated amortisation	(15,000.00)	(14,250.00)
		750.00

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD ABN 13 065 910 642**  
**Trading as TAFCO RURAL SUPPLIES**  
**Detailed Balance Sheet As At 30 June 2009**

**Other**

Preliminary expenses	17,465.50	17,465.50
Less: Accumulated amortisation	(17,460.00)	(16,587.00)
	5.50	878.50
Total Non-Current Assets	596,479.03	588,519.79
Total Assets	1,568,112.92	1,744,141.73

**Current Liabilities**

**Payables**

Unsecured:

Trade creditors	241,677.44	241,166.82
	241,677.44	241,166.82

**Financial Liabilities**

Unsecured:

ANZ Chq A/c 47723	1,178.15	147,894.77
	1,178.15	147,894.77

**Current Tax Liabilities**

GST Clearing Account	2,864.00	4,956.00
Provision Income Tax	(4,378.89)	8,701.70
	(1,514.89)	13,657.70

**Provisions**

Provision - Long Service Leave	24,473.00	20,403.00
Provision - Annual Leave	15,534.00	20,784.00
	40,007.00	41,187.00

**Other**

Prepaid Income - DPI		21,943.00
		21,943.00

Total Current Liabilities	281,347.70	465,849.29
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**Non-Current Liabilities**

**Financial Liabilities**

Unsecured:

Loan Account - Members re GST	6,356.04	
	6,356.04	
Total Non-Current Liabilities	6,356.04	

Total Liabilities	287,703.74	465,849.29
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Net Assets	1,280,409.18	1,278,292.44
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**Equity**

**Issued Capital**

609967 Ordinary Shares Of \$1	609,967.00	606,380.00
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**Reserves**

Capital profit reserve	41,170.15	41,170.15
General Reserve	152,202.00	145,821.00
Asset Revaluation Reserve	164,457.57	173,749.57
Retained profits / (accumulated losses)	312,612.46	311,171.72
Total Equity	1,280,409.18	1,278,292.44

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**Cash Flow Statement year ended 30<sup>th</sup> June 2009**

	2009	2008
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Operating profit (loss) after tax	127,612.94	142,941.59
(Profit) Loss on sale of plant & equipment	-1732.09	-6818.18
Depreciation/BWOA	18,741.00	18,619.00
Amortisation	1,623.00	1,623.00
Income Tax Paid	-9,081.90	-19,479.00
(Increase) decrease in trade debtors	19,289.26	-17,159.29
(Increase) decrease in other debtors	8,060.39	-45,609.46
(Increase) decrease in finished goods	133,611.88	-91,945.21
(Increase) decrease in prepayments	-21,715.00	21,943.00
Increase (decrease) in GST clearing	-2,092.00	-20,048.00
Increase (decrease) in Doubtful debts provision	10,184.00	853
Increase (decrease) in employee entitlements	-1,180.00	-8,317.00
Increase (decrease) in provision for income tax	-13,080.59	13,335.40
Increase (decrease) in trade creditors and accruals	510.62	16,929.15
Increase (decrease) in other creditors	0	0
<b>Net cash provided by (used in) operating activities</b>	<b>270,751.51</b>	<b>6,868.00</b>
<b>Cash Flow From Investing Activities</b>		
(Increase) decrease in plant & equipment	-5,343.65	-18,405.57
(Increase) decrease in loans to shareholders	10,070.45	3,419.12
(Increase) decrease in Loans - other A.I.R.R.	0	48,001.00
(Increase) decrease in Shares - other Companies	16294	-121375.9
Increase (decrease) in other reserves	-24448.01	61462
<b>Net cash provided by (used in) investing activities</b>	<b>-3,427.21</b>	<b>-26,899.35</b>
<i>The accompanying notes form part of these financial statements.</i>		
<b>Cash Flow From Financing Activities</b>		
Increase (decrease) in provision for dividends	-45,729.74	-54,574.20
Proceeds of issue of shares	3,587.00	2,418.00
Increase (decrease) members rebate	-75,241.46	-64,211.67
Increase (decrease) bonus shares	0	0
Increase (decrease) Prior Year Adjustments	0	-5,471.92
Proceeds of borrowings	0	0
<b>Net cash provided by (used in) financing activities</b>	<b>-117,384.20</b>	<b>-121,839.79</b>
<b>Net increase (decrease) in cash held</b>	<b>149,940.10</b>	<b>-141,871.14</b>
<b>Cash at the beginning of the year</b>	<b>113,666.63</b>	<b>255,537.77</b>
<b>Cash at the end of the year (Note 1.)</b>	<b>263,606.73</b>	<b>113,666.63</b>

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**Note 1. Reconciliation Of Cash**

ANZ Chq A/c 47723	-1,178.15	-147,894.77
ANZ Cash management account	14,284.88	261,061.40
ANZ Term Deposit	250,000.00	0
Cash on hand	300	300
Petty cash	200	200
	<b>263,606.73</b>	<b>113,666.63</b>

The accompanying notes form part of these financial statements.

**Note 1: Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.

The report has been prepared in accordance with the requirements of the following Australian Accounting Standards.

AASB 1031: Materiality

AASB 110: Events after the Balance Sheet Date

No other Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

**Note 2: Dividends**

Members Dividend	45,729.74	54,574.20
	45,729.74	54,574.20

**Note 3: Cash assets**

Bank accounts:

ANZ Cash management account	14,284.88	261,061.40
ANZ Term Deposit	250,000.00	

Other cash items:

Cash on hand	300.00	300.00
Petty cash	200.00	200.00
	264,784.88	261,561.40



**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
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**Note 4: Receivables**

**Current**

Trade debtors	266,099.39	293,449.04
Provision for doubtful debts	(22,297.00)	(12,113.00)
	243,802.39	281,336.04
	243,802.39	281,336.04

**Non-Current**

Amounts receivable from		
- Shareholders		3,714.41
		3,714.41

**Note 5: Inventories**

**Current**

Finished goods at cost	341,557.62	475,169.50
	341,557.62	475,169.50

**Note 6: Other Financial Assets**

**Current**

Shares in other corporations - at cost:		
- Listed on a prescribed stock exchange	9,663.00	37,555.00
- Unlisted	111,598.00	100,000.00
- Less: Provision for diminution		
	121,261.00	137,555.00
	121,261.00	137,555.00

**Note 7: Other Assets**

**Current**

Prepayments	228.00	
	228.00	

**Non Current**

Preliminary expenses	17,465.50	17,465.50
Less: accumulated amortisation	(17,460.00)	(16,587.00)
	5.50	878.50

**Note 8: Property, Plant and Equipment**

Freehold land:

- At cost	96,596.50	96,596.50
- At independent valuation	160,000.00	160,000.00
	256,596.50	256,596.50

Buildings:

- At cost	386,995.93	353,862.00
- Less: Accumulated depreciation	(100,135.00)	(90,703.00)
	286,860.93	263,159.00

Plant and equipment:

- At cost	123,905.10	151,695.38
- Less: Accumulated depreciation	(70,889.00)	(88,274.00)
	53,016.10	63,421.38
	596,473.53	583,176.88

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
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**Note 9: Intangible Assets**

Goodwill:

- At cost	15,000.00	15,000.00
- Less: Accumulated amortisation	(15,000.00)	(14,250.00)
		750.00
		750.00

**Note 10: Payables**

Unsecured:

- Trade creditors	241,677.44	241,166.82
	241,677.44	241,166.82
	241,677.44	241,166.82

**Note 11: Provisions**

**Current**

Employee entitlements*	40,007.00	41,187.00
	40,007.00	41,187.00
* Aggregate employee entitlements liability	40,007.00	41,187.00

There were 6 employees at the end of the year

**Note 12: Contributed Capital**

609967 Ordinary shares at \$1.00 each fully paid	609,967.00	606,380.00
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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.

**Note 13: Remuneration & Retirement Benefits**

**Directors' Remuneration**

Income received or due and receivable by all directors of the company from the company and any related bodies corporate

10,717.00	11,204.00
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Number of directors whose income from the company or any related parties was within the following bands:

\$	\$	No.	No.
0 -	9,999	7.00	7.00

The names of directors of the company who have held office during the financial year are:

COLIN McCORMACK  
ALLAN McGUFFIE  
JULIE CARROLL  
PAUL DALBOSCO  
ANGELO GRASSI  
JOE LASPINA  
ANTONIO MAUTONE

**Note 14: Contingent Liabilities**

Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:

**Note 15: Events Subsequent to Reporting Date**

Since the end of the financial year THERE WERE NO MATERIAL SUBSEQUENT EVENTS.

The financial effects of the above have not been brought to account in the accounts at 30 June 2009.

## **AUDITORS REPORT**

To the members,

In my opinion:

1. The accompanying Financial Statements, being Profit and Loss, Balance Sheet, Cash Flows Statement and notes to the accounts are properly drawn up in accordance with the provisions of the *Co-operatives Act 1996*, including:
  - a) giving a true and fair view of:
    - (i) The state of affairs of the Co-operative at the 30<sup>th</sup> June 2009 and of the results and cash flows of the Co-operative for the year ended 30<sup>th</sup> June 2009; and
    - (ii) The other matters required by Section 238 of the *Co-operatives Act 1996* 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 that Act.
  
3. I have been given all information, explanations and assistance necessary for the conduct of the audit.

Dated at MYRTLEFORD this 30<sup>th</sup> day of November 2009

  
Full Name: SAM P MAROTTA GD(acctg); Fellow NTAA; RTA; JP

SAM P MAROTTA GD (acctg); Fellow NTAA; RTA; JP  
REGISTERED COMPANY AUDITOR. Reg No: 8799  
Telephone: 03-57511411

**TOBACCO & ASSOCIATED FARMERS CO-OP LTD**  
Trading as TAFCO RURAL SUPPLIES

**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 MONDAY 8<sup>th</sup> FEBRUARY 2010**

(\*\*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 Farmers 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 Farmers Co-operative Ltd hereby accept the above nomination and will provide to members details as required under the Co-operatives Act 1996 and according to the Rules of the Co-operative Section 41(6):-

- i. Date of Birth and Place 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 Farmers Co-operative,  
P.O. Box 277  
MYRTLEFORD. 3737.

**Or hand deliver to TAFCO Rural Supplies, 215 Myrtle St, Myrtleford by Monday 8<sup>th</sup> February 2010**