

YCDCO



ANNUAL REPORT

of

**Yackandandah Community Development
Company Limited**
ABN 45 099 899 886

For the year ended 30 June 2023



Directors' report

The Directors present the Annual Report of Yackandandah Community Development Company Limited (YCDCo or the Company) to shareholders, together with the financial report for the year ended 30 June 2023 and the auditor's report thereon.

Principal Activities

The principal activities of the Company during the course of the year were that of sales of petroleum, rural supplies, hardware, produce, associated products and a community publication. The Company sells a range of non-fuel products which are normally associated with a service station.

Operating and Financial Review

The impact of the Coronavirus (COVID-19) pandemic and the means by which governments have sought to control outbreak, has lessened during the current financial year, but have given rise to new challenges through inflation and supply chain barriers. These rising challenges, in addition to the impact of environmental extremes, continued to present strategic, operational and commercial uncertainties for the Company during the 2022/23 financial year.

The Board of Directors however are pleased to report a consistent result for the 2022/23 financial year. As the Community emerges from the worst of the COVID-19 pandemic YCDCO has increased the amount of direct assistance to community organisations with \$38,403 in community contributions. The Board acknowledge the dedication and hard work of all the YCDCo staff.

Financial Result

The Company reports an operating profit before tax of \$186,001 for the year ended 30 June 2023. This compares to an operating profit before tax of \$173,545 for the year ended 30 June 2022.

Financial Reports

Detailed audited financial statements for the year ended 30 June 2023 are included in this Annual Report.

Dividends

Dividends were declared and paid during the reporting period \$33,848 (2022: \$63,465).

Share Value

As an unlisted public company, shares in YCDCo are not publicly traded on a stock exchange. This means the value of the shares is not subject to the inevitable market-driven fluctuations which this would lead to.

The value (or "**Transfer Price**") of shares in YCDCo is defined in section 29.3 of the Constitution as "**... the net asset backing attributed to the share calculated by reference to the last audited statement of the Company.**"

In accordance with clause 29.3 of the Constitution, the "Share Transfer Price" calculation is provided below:

Net Equity (see Balance Sheet as at 30 June 2023)	\$1,406,384
Number of shares on issue (as at 30 June 2023)	4,231
Share Transfer Price (net asset backing per share)	\$332

The Share Transfer Price as reported in last year's Annual Report was \$306.



Directors' report (continued)

State of Affairs

shareholders (2023 - \$33,848, 2022 \$63,465), local employment (salaries and wages 2023 - \$292,065, 2022 - \$288,475), and investment back into community organisations of Yackandandah and surrounds (2023 - \$38,403, 2022 - \$34,680). With a focus of delivering value for money to our shareholders and customers, YCDCo operates on a principle of using local suppliers and tradespeople.

The impact of the COVID-19 pandemic on day-to-day operations began to reduce as the financial year wore on, as the approach taken by governments to control the virus were less restrictive. However, new challenges were soon to appear as supply-chain obstacles and inflation began to assert influence over the business. A 9% increase in revenue was equally matched by a 9% increase in expenses.

Investment into the Service Station and the YCDCo brand continued during the 2022/23 financial year, with changes made to the internal layout of the service station and new branding unveiled. The new branding has sought to standardise the design and use of the YCDCo logo that is found in-store, on YCDCo vehicles and publication mastheads, and online.

Other than the above there have been no significant changes in the state of affairs that occurred during the financial year.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Likely Developments

There are no significant likely developments not otherwise disclosed in this report.

Derivatives and Other Financial Instruments

The Company was not exposed to any derivatives during the year. The Company is exposed to credit, liquidity and cash flow risks from its operations. The Company has a strict credit policy for all customers trading on credit terms, and only deals with reputable financial institutions.

Financing facilities and operating cash flows are managed by monthly board review to ensure the Company is not exposed to any adverse liquidity risks.

Directors' report (continued)

Directors

The directors of the Company at any time during or since the end of the financial year are:

Ian Fitzpatrick (Chairperson) Age: 61 Occupation: Engineer Director since: September 2018	Phillip Andrew Newman Age: 62 Occupation: Librarian Director since: January 2010
Barry John Maginness (resigned September 2022) Age: 62 Occupation: Project Manager Director since: June 2014	Michael Bell (resigned September 2022) Age: 49 Occupation: Accountant Director since: January 2016
Alison Pockley Age: 68 Occupation: Administrator Director since: July 2019	Max Horvath Age: 58 Occupation: Consultant Director since: December 2017
Rex Little Age: 69 Occupation: Company Director Director since: February 2020	Ian Nightingale (resigned August 2023) Age: 69 Occupation: Retired Director since: 24 September 2020
Mickey Clark Age: 68 Occupation: Consultant Director since: April 2023	Peter Rankin Age: 63 Occupation: Business Advisor Director since: April 2023

Company secretary

Alison Pockley was appointed to the position of Company Secretary in July 2019 and continues to act in this position.

Directors' Meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the Company during the year are:

	<i>Meetings held *</i>	<i>Meetings attended</i>
Phil Newman	10	5
Ian Fitzpatrick	10	9
Michael Bell	3	2
Barry Maginness	3	3
Max Horvath	10	8
Alison Pockley	10	10
Rex Little	10	9
Ian Nightingale	10	10
Mickey Clark	3	3
Peter Rankin	3	3

* Reflects the number of meetings held whilst the Director was in office

Directors' Benefits

any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full time employee of the Company or of a related body corporate) by reason of a contract made by the Company or a related body corporate with a director



Directors' report (continued)

or with a firm of which a director is a member, or with an entity in which a director has a substantial interest, except for those detailed in Note 14 to the financial report.

Environmental Regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Company has established procedures for monitoring compliance with existing environmental regulations and new regulations as they are enacted. This includes steps to be followed should an incident occur which has an adverse effect on the environment.

The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Indemnification and Insurance of Officers and Auditors

Up to 30 June 2023, no insurance in respect of officers had been paid out, nor had any indemnity arrangements been entered into with auditors.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001*, is set out on page 6.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 26th day of October 2023.

A handwritten signature in black ink, appearing to read 'I. Fitzpatrick', written over a horizontal dotted line.

Director, Ian Fitzpatrick

A handwritten signature in black ink, appearing to read 'Alison Pockley', written over a horizontal dotted line.

Director, Alison Pockley

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To: the Directors of Yackandandah Community Development Company Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**CROWE ALBURY****BRADLEY D BOHUN**
Partner

26th October 2023
Albury

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Albury, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	6,355,362	5,814,667
Other revenue	2	505	814
Interest received		6,646	248
		6,362,513	5,815,729
Cost of goods sold	3(a)	5,682,152	5,139,387
Audit and tax fees		24,881	33,705
Advertising and promotion		2,958	5,675
Depreciation and amortisation		36,846	34,645
Electricity		4,660	4,412
Employee expenses	3(b)	323,887	325,347
Government and bank charges		4,550	4,197
Insurance		7,542	5,915
Printing and stationery		23,513	25,595
Telephone		4,178	4,772
Site occupancy expenses		5,245	4,648
Lease expenses	3(c)	5,885	4,878
Other expenses		11,812	14,328
Community Contribution	17	38,403	34,680
		6,176,512	5,642,184
Profit before tax		186,001	173,545
Income tax (expense) / benefit	19(a)	(40,949)	(54,881)
Profit for the period after tax		145,052	118,664
Other comprehensive income		-	-
Total comprehensive income for the year		145,052	118,664

Statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	261,769	734,947
Trade and other receivables	5	162,714	172,676
Inventories	6	254,562	292,144
Other assets	7	1,000	1,000
Investments	8	600,000	-
TOTAL CURRENT ASSETS		1,280,045	1,200,767
NON-CURRENT ASSETS			
Property, plant and equipment	9	417,893	436,146
Deferred tax assets/(liabilities)	19(b)	(11,093)	(17,608)
TOTAL NON-CURRENT ASSETS		406,800	418,538
TOTAL ASSETS		1,686,845	1,619,305
CURRENT LIABILITIES			
Trade and other payables	10	212,045	272,835
Income tax payable/(receivable)		9,442	(4,294)
Employee benefits	11	49,512	36,842
TOTAL CURRENT LIABILITIES		270,999	305,383
NON-CURRENT LIABILITIES			
Employee benefits	11	9,462	18,742
TOTAL NON-CURRENT LIABILITIES		9,462	18,742
TOTAL LIABILITIES		280,461	324,125
NET ASSETS		1,406,384	1,295,180
EQUITY			
Issued capital	12	423,100	423,100
Retained earnings		983,284	872,080
TOTAL EQUITY		1,406,384	1,295,180

Statement of changes in equity

For the year ended 30 June 2023

	Note	Issued capital \$	Retained earnings \$	Total \$
Balance at 1 July 2022		423,100	872,080	1,295,180
Total comprehensive income for the period				
Profit or loss		-	145,052	145,052
Dividend Paid		-	(33,848)	(33,848)
Balance as at 30 June 2023		423,100	983,284	1,406,384
		Issued capital \$	Retained earnings \$	Total \$
Balance at 1 July 2021		423,100	816,881	1,239,981
Total comprehensive income for the period				
Profit or loss		-	118,664	118,664
Dividend Paid		-	(63,465)	(63,465)
Balance as at 30 June 2022		423,100	872,080	1,295,180

Statement of cash flows

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts in the course of operations		7,005,980	6,387,504
Interest received		6,646	248
Cash payments in the course of operations		(6,794,960)	(6,366,521)
Community commitment sponsorship payments	17	(38,403)	(34,680)
Net cash provided by / (used in) operating activities	13	179,263	(13,449)
Cash flows from investing activities			
Acquisition of term deposits		(600,000)	-
Payments for property, plant and equipment		(18,593)	(27,860)
Net cash used in investing activities		(618,593)	(27,860)
Cash flows from financing activities			
Dividend paid		(33,848)	(63,465)
Net cash used in financing activities		(33,848)	(63,465)
Net increase/(decrease) in cash held		(473,178)	(104,774)
Cash at the beginning of the financial year		734,947	839,721
Cash at the end of the financial year	4	261,769	734,947

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. Significant accounting policies

The Yackandandah Community Development Company Limited (the “Company”) is a company domiciled in Australia. It is an unlisted public company.

The registered office and principal place of business of the Company is 29 Railway Ave, Yackandandah VIC 3749.

The financial report was authorised for issue by the directors 26 October 2023.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*, as appropriate for for-profit orientated entities.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis, adjusted where applicable for fair value.

Management has been involved in the development, selection and disclosure of the Company’s critical accounting policies and estimates and the application of these policies and estimates. There are no critical accounting judgements which require specific disclosure.

Going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company’s ability to remain a going concern is dependent upon the continuing surpluses from operations. On this basis, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

(c) Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts to assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to and forming part of the financial statements For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(c) Use of estimates and judgements (cont'd)

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 9 – Property, Plant and Equipment – estimation of useful life
- Note 11 – Employee Benefits

(d) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred taxes are always classified as non-current.

Notes to and forming part of the financial statements For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(f) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants are recognised by the Company where there is reasonable assurance that:

- a) the Company will comply with the conditions attaching to them; and
- b) the grants will be received.

The Company presents Government grants received in the profit or loss. Within 'other revenue'.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Trade or other receivables

Receivables that are contractual are classified as financial instruments and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure expected credit losses, accounts receivable and other debtors have been grouped based on days overdue.

(i) Inventories

Raw material, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriated proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(j) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1.1).

The cost of self-constructed assets includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

(iii) Depreciation/Amortisation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for each type of asset are as follows:

Shop and forecourt	10-30 years
Fuel storage equipment	10-30 years
Fuel delivery equipment	5-20 years
Retail equipment	4-20 years
Office equipment	3-10 years

All depreciation rates are applied using a straight-line basis.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Where applicable bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(l) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(m) Employee benefits

Wages, salaries, annual leave, sick leave and non-monetary benefits

All staff, with the exception of the site manager and the 2IC, are employed on a casual basis. Accordingly, no obligation exists with regard to employee benefits for annual leave and sick leave for these casual employees.

Liabilities for employee benefits for site manager and 2IC wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on costs.

The liability for long service leave is not expected to be settled within 12 months of reporting date and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Notes to and forming part of the financial statements For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(n) Superannuation plan

The Company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

(o) Controlled entity

The General Purpose financial report of the Company incorporates all commercial and non-business operations which the Company controls, either directly or through the operations of controlled entities, except for YCDCo (Yackity Yak) Pty Ltd which has not been included in the financial report on the basis that its revenue and expenditure from continuing operations is immaterial as at reporting date.

(p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(q) Leases

Company as a lessee

At inception of a contract, the Company assesses whether a lease exists – i.e. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected to separate non-lease components from lease components and has accounted for payments separately, rather than as a single component.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. Significant accounting policies (cont'd)

(q) Leases (cont'd)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (defined by the Company as \$10,000). Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets such as software licences continue to be accounted for under AASB 138 *Intangible Assets*, regardless of whether the arrangement would otherwise meet the AASB 16 *Leases* definition.

Company as a lessor

The lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When the Company has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. The lease income is recognised on a straight-line basis over the lease term.

(r) New accounting standards adopted

The Company has adopted all of the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards and Interpretations issued by the AASB that are not yet mandatory have not been early adopted.

Notes to and forming part of the financial statements For the year ended 30 June 2023

2. Revenue

	2023 \$	2022 \$
Revenue from contracts with customers		
Revenue from fuel sales	5,332,787	4,814,124
Revenue from other sales	1,022,575	1,000,543
	6,355,362	5,814,667
Other revenue		
Other revenue	505	814
	505	814

All sales of fuel and other goods occur at the Company's premises at Yackandandah in Victoria, Australia. The timing of revenue recognition happens at the point of sale, as the performance obligation transfer occurs at a point in time (being the sale transaction). The Company does not recognise any revenue over time.

3. Expenses

(a) Cost of goods sold		
Fuel	4,931,013	4,416,182
Hardware	254,513	263,250
Stock feed and rural supplies	202,782	169,702
Other	293,844	290,253
	5,682,152	5,139,387
(b) Employee expenses		
Salaries and wages	292,065	288,475
Superannuation	27,008	31,635
Workers compensation	4,814	5,237
	323,887	325,347
(c) Leases expenses		
Short-term lease expense	5,885	4,878
	5,885	4,878

Nature of the leasing activities

The Company leases part of an office building in Yackandandah, which is on a month-to-month arrangement. The Company has applied the short-term lease exemption in AASB 16 *Leases* with regards to this. Refer to Note 1(q) for further details of this exemption.

The Company does not face a significant financial risk with regards to its leasing activities. As at 30 June 2023, the Company has a \$566 commitment for a short-term lease.

Notes to and forming part of the financial statements For the year ended 30 June 2023

4. Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	2,150	1,265
Cash at bank	259,619	733,682
	261,769	734,947

5. Trade and other receivables

Trade debtors	114,475	128,205
GST refundable	44,080	39,906
Prepayments	4,159	4,565
	162,714	172,676

Trade debtors are shown net of impairment losses amounting to Nil (2022: Nil).

The loss allowance for 2023 is calculated and disclosed under the expected credit loss regime as per Note 1(h).

6. Inventories

Fuel	116,979	157,089
Motor accessories and Oil	10,005	10,196
Rural supplies and hardware	115,925	109,706
Sundry	11,653	15,153
	254,562	292,144

7. Other Assets

10 Shares in "YCDCo (Yackity Yak) Pty Ltd"	1,000	1,000
	1,000	1,000

YCDCo (Yackity Yak) Pty Ltd is a 100% owned entity of the Company. Note 1(o) provides additional information.

8. Investments

Term deposits	600,000	-
	600,000	-

Notes to and forming part of the financial statements For the year ended 30 June 2023

9. Property, plant and equipment

	2023 \$	2022 \$
Land		
<i>Land at cost*</i>	107,488	107,488
	107,488	107,488
Building improvements		
<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(79,655)	(77,298)
	24,044	26,401
<i>Shop and forecourt at cost</i>	385,035	385,035
<i>Accumulated depreciation</i>	(214,605)	(199,989)
	170,430	185,046
Plant and Equipment		
<i>Fuel delivery equipment at cost</i>	191,128	191,128
<i>Accumulated depreciation</i>	(132,503)	(123,362)
	58,625	67,766
<i>Retail sales equipment at cost</i>	111,191	94,731
<i>Accumulated depreciation</i>	(57,733)	(47,648)
	53,458	47,083
<i>Office equipment at cost</i>	9,189	7,056
<i>Accumulated depreciation</i>	(5,341)	(4,722)
	3,848	2,334
<i>Motor vehicles at cost</i>	11,858	11,858
<i>Accumulated depreciation</i>	(11,858)	(11,830)
	-	28
Total property, plant and equipment	417,893	436,146

* The Company's land at Railway Avenue, Yackandandah was valued as at 30 June 2020 by an independent valuer. The fair value was assessed at \$220,000, which is above the recorded cost amount of \$107,488.

Notes to and forming part of the financial statements For the year ended 30 June 2023

9. Property, plant and equipment (cont'd)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2023 \$	2022 \$
Land		
Carrying amount at beginning of year	107,488	107,488
Additions	-	-
Disposals	-	-
Carrying amount at the end of the year	107,488	107,488
Fuel Storage Equipment		
Carrying amount at beginning of year	26,401	28,759
Additions	-	-
Disposals	-	-
Depreciation	(2,357)	(2,358)
Carrying amount at end of year	24,044	26,401
Shop and Forecourt		
Carrying amount at beginning of year	185,046	189,601
Additions	-	10,140
Disposals	-	-
Depreciation	(14,616)	(14,695)
Carrying amount at end of year	170,430	185,046
Fuel Delivery Equipment		
Carrying amount at beginning of year	67,766	76,907
Additions	-	-
Disposals	-	-
Depreciation	(9,141)	(9,141)
Carrying amount at end of year	58,625	67,766

Notes to and forming part of the financial statements For the year ended 30 June 2023

9. Property, plant and equipment (cont'd)

	2023 \$	2022 \$
Retail Sales Equipment		
Carrying amount at beginning of year	47,083	36,760
Additions	16,460	16,769
Disposals	-	-
Depreciation	(10,085)	(6,446)
Carrying amount at end of year	53,458	47,083
Office Equipment		
Carrying amount at beginning of year	2,334	1,905
Additions	2,133	953
Disposals	-	-
Depreciation	(619)	(524)
Carrying amount at end of year	3,848	2,334
Motor Vehicles		
Carrying amount at beginning of year	28	1,511
Additions	-	-
Disposals	-	-
Depreciation	(28)	(1,483)
Carrying amount at end of year	-	28
Total property, plant and equipment	417,893	436,146

10. Trade and other payables

Accruals	15,450	12,011
Trade creditors	144,539	207,204
PAYG Withholding payable	4,858	3,497
GST payable	47,198	50,123
	212,045	272,835

Unclaimed dividends for the amount of \$18,991 (2022: \$16,367) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

Notes to and forming part of the financial statements For the year ended 30 June 2023

11. Employee Benefits

	2023 \$	2022 \$
Current		
Annual leave	27,805	18,742
Accrued salaries and wages	6,658	10,348
Long service leave	15,049	7,752
	49,512	36,842
Non-current		
Long service leave	9,462	18,742
	9,462	18,742

12. Equity

Issued capital		
4,231 (2022: 4,231) ordinary shares, fully paid	423,100	423,100

13. Notes to the statement of cash flows

Reconciliation of operating profit after income tax to net cash provided by operating activities

Operating profit/(loss) after income tax	145,052	118,664
Add/(less) non-cash items:		
Depreciation/Amortisation	36,846	34,645
Net cash provided by operating activities before change in assets and liabilities	181,898	153,309
Change in assets and liabilities during the financial year		
(Increase)/Decrease in inventories	37,582	(75,803)
(Increase)/Decrease in receivables	9,962	(23,940)
(Increase)/Decrease in deferred tax assets	(6,515)	1,343
Increase/(Decrease) in payables	(60,790)	(90,741)
Increase/(Decrease) in employee benefits	3,390	25,411
Increase/(Decrease) in tax payable	13,736	(3,028)
	179,263	(13,449)

Notes to and forming part of the financial statements For the year ended 30 June 2023

14. Related Parties

Non-executive directors

P Newman	B Maginness (resigned September 2022)
M Bell (resigned September 2022)	A Pockley
M Horvath	R Little
I Fitzpatrick	I Nightingale
M Clarke (appointed April 2023)	P Rankin (appointed April 2023)

Executives

B Lauritz	Finance Manager
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Key management personnel compensation

The key management personnel compensation included in 'employee expenses' is as follows:

	2023 \$	2022 \$
Total compensation	18,651	9,615
	<u>18,651</u>	<u>9,615</u>

Other key management personnel transactions

There were no related party transactions for the year.

Amounts receivable from and payable to directors and their director-related entities at reporting date were as follows:

Current receivables

Trade debtors	797	1,271
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Current payables

Trade creditors	-	-
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Apart from the details disclosed above in this note, no other director has entered into a material contract with the Company during the year or since the end of the previous financial year and there were no material contracts involving other directors' interests existing at year-end.

Directors' holdings of shares and share options

The interests of directors of the entity and their director-related entities in shares and share options at period-end are set out below:

Yackandandah Community Development Company Ltd	
Ordinary Shares	43
Options over ordinary shares	-

Notes to and forming part of the financial statements For the year ended 30 June 2023

15. Economic dependency

100% of the fuel sold by the Company is currently sourced from TASC0 Petroleum. However, the Directors are confident that alternative fuel suppliers are available if required.

16. Auditor's Remuneration

The following services were provided to the Company by Crowe.

	2023 \$	2022 \$
<i>Auditors of the Company</i>		
2023 Audit fees*	18,750	18,200
Other services- taxation	6,040	9,086
	24,790	27,286

*includes financial statement assistance

17. Community Contribution

Sponsorships and donations were allocated to the following community groups and organisations:

Yackandandah Football & Netball Club	450	440
Yackandandah Community Centre	3,925	-
Yackandandah Scout Group	-	4,000
Yackandandah Tennis Club	12,000	8,000
Yackandandah Primary School	-	4,545
Yackandandah Golf Club	250	1,930
Yackandandah Riding Club	-	4,765
Yackandandah Bowling Club	4,546	-
Yackandandah Cemetery Trust	-	8,000
Yackandandah Lions Club	2,600	-
Yackandandah Folk Festival Inc.	216	-
Yackandandah Cricket Club	-	3,000
North East Media (Advertising for Yackandandah Health, Special edition of Yackandandah Health)	1,059	-
Sponsorship	300	-
Totally Renewable Yackandandah	10,000	-
Special edition of Yackity Yak	750	-
Bruarong Community Centre Inc.	2,307	-
	38,403	34,680

18. Dividends

Dividends of \$33,848 were paid during the 2023 year (2022 year: \$63,465). Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to and forming part of the financial statements For the year ended 30 June 2023

19. Taxation

(a) Income tax expense

	2023 \$	2022 \$
Prima facie income tax expense calculated at 25% (2022: 25%) on the profit	46,500	43,385
Decrease in income tax expense due to:		
Non assessable income	-	-
Non-deductable expenses	-	2,067
PP&E differences	(4,680)	6,966
Income tax under/(over) provided in prior year	(871)	2,463
Restatement of DTA/DTL due to change in company tax rate	-	-
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>40,949</u>	<u>54,881</u>
Income tax expense/(benefit) attributable to profit/(loss) is made up of:		
Current tax expense	48,335	51,075
Deferred tax expense/(benefit)	(6,515)	1,343
Under/(over) provided in prior years	(871)	2,463
	<u>40,949</u>	<u>54,881</u>

(b) Deferred tax assets/(liabilities)

Deferred tax assets

Comprise the estimated future benefit at the applicable rate of 25% (2022: 25%) on the following items:

Provisions and accrued employee benefits not currently deductible – net of deferred tax liability	(11,093)	(17,608)
	<u>(11,093)</u>	<u>(17,608)</u>

20. Contingent liabilities and contingent assets

Nil.

21. Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' declaration

In the opinion of the directors of Yackandandah Community Development Company Limited: -

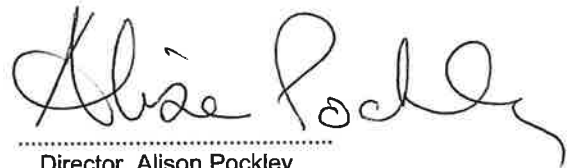
- (a) the financial statements and notes as set out on pages 7 to 27, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2023, and of its performance for the year ending on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosures.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Yackandandah this 26th day of October 2023.

Signed in accordance with a resolution of the directors.



.....
Director, Ian Fitzpatrick



.....
Director, Alison Pockley



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YACKANDANDAH COMMUNITY DEVELOPMENT COMPANY LIMITED

OPINION

We have audited the accompanying financial statements of Yackandandah Community Development Company Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Yackandandah Community Development Company Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial report as a whole 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 the 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 financial report.

As part of an audit in accordance with the 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 financial report, 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 and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, 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 the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in blue ink, appearing to read "Bradley D Bohun".

CROWE ALBURY

A handwritten signature in blue ink, appearing to read "Bradley D Bohun".

BRADLEY D BOHUN

Partner

Dated at Albury this 26th day of October 2023.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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