



ANNUAL REPORT

of

**Yackandandah Community Development
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2013

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 2013 and the auditor's report thereon.

Principal Activities

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

Operating and Financial Review

The Board of Directors are pleased to report an improved result for the 2012/2013 financial year. Total turnover has increased 8.9% over the previous year and non fuel turnover improved dramatically. YCDCo purchased the Railway Avenue site from the Indigo Shire Council after 18 months of negotiations. This necessitated increasing our overdraft to ensure adequate operational cash flows. The company has improved its cash position this reporting period, achieving its previously announced goal of establishing a \$50,000 balance as a contingency against aging site infrastructure.

The Board wishes to acknowledge our competent fuel staff and management who continue to provide excellent service to the community.

Financial Result

The Company reports an operating profit before tax of \$96,520 for the year ended 30 June 2013. This compares to an operating profit before tax of \$18,101 for the year ended 30 June 2012.

Financial Reports

Detailed audited financial statements for the year ended 30 June 2013 are included in this Annual Report.

Dividends

No dividend was declared or paid during the reporting period.

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 2013)	\$520,980
Number of shares on issue (as at 30 June 2013)	4,231
Share Transfer Price (net asset backing per share)	\$123.13

The Share Transfer Price as reported in last year's Annual Report was \$107.15.

Directors' Report (continued)

State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs that occurred during the financial period under review.

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 of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments

Other than those arising from an ongoing review of expansion opportunities 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 period are:

Phillip Andrew Newman (Chairperson)
Age: 52
Occupation: Librarian
Director since: January 2010

Ewen James Silvester
Age: 50
Occupation: Scientist
Director since: January 2009

James Cameron Lacey
Age: 48
Occupation: Newsagent proprietor
Director since: May 2003

Matthew Charles-Jones
Age: 43
Occupation: Teacher
Director since : February 2011

Brendan Stewart Lauritz
Age: 49
Occupation: Corporate Services Manager
Director since: December 2010

Karen Keegan
Age: 57
Occupation: Lawyer
Director since: April 2012

Michael Rosenbrock
Age: 33
Occupation: Bachelor of Education
Director since: April 2013

Company secretary

Phillip Newman was appointed to the position of Company Secretary in October 2010 and continues to act in this position as at and since the end of the financial year.

Directors' Meetings

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

	<i>Meetings held</i>	<i>Meetings attended</i>
James Lacey	9	9
Ewen Silvester	9	7
Phil Newman	9	9
Matt Charles-Jones	9	6
Brendan Lauritz	9	9
Karen Keegan	9	6

Directors' Benefits

Since the end of the previous financial period no director of the Company has received or become entitled to receive 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 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.

Directors' Report (continued)

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 2013, no insurance in respect of officers had been paid, 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 5.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 26 day of September 2013.



.....
Director, Phillip Newman



.....
Director, Brendan Lauritz

**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 2013 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 HORWATH ALBURY



BRADLEY D BOHUN
Partner

Dated at Albury this 26 day of September 2013.

Statement of comprehensive income For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue from fuel sales		3,306,623	3,111,097
Revenue from other sales		619,885	496,285
Interest received		496	271
		<u>3,927,004</u>	<u>3,607,653</u>
Cost of goods sold	3(a)	3,528,557	3,288,180
Audit fees		15,780	16,344
Advertising and promotion		5,238	3,463
Depreciation and amortisation		25,453	25,960
Electricity		7,707	9,484
Employee expenses (including director-based payments)	3(b)	211,615	217,568
Government and bank charges		3,525	1,986
Insurance		5,468	5,168
Printing and stationery		13,538	12,955
Telephone		4,067	3,353
Rent		5,784	4,231
Other expenses		2,752	3,220
Community Contribution	18	1,000	909
Doubtful Debts		-	(3,269)
		<u>3,830,484</u>	<u>3,589,552</u>
Profit before tax		96,520	18,101
Income tax expense	20(a)	28,912	5,675
Profit for the period after tax		<u>67,608</u>	<u>12,426</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>67,608</u></u>	<u><u>12,426</u></u>

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 27.

Statement of financial position As at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	2	94,281	76,135
Trade and other receivables	4	136,454	101,769
Inventories	5	175,177	154,906
Other assets	6	1,000	1,000
TOTAL CURRENT ASSETS		<u>406,912</u>	<u>333,810</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	379,908	297,140
Deferred tax assets	20(c)	7,500	3,373
TOTAL NON CURRENT ASSETS		<u>387,408</u>	<u>300,513</u>
TOTAL ASSETS		<u><u>794,320</u></u>	<u><u>634,323</u></u>
CURRENT LIABILITIES			
Trade and other payables	8	231,710	178,883
Income tax payable/(refundable)	20(b)	30,245	(1,369)
Employee benefits	9	11,385	3,437
TOTAL CURRENT LIABILITIES		<u>273,340</u>	<u>180,951</u>
TOTAL LIABILITIES		<u><u>273,340</u></u>	<u><u>180,951</u></u>
NET ASSETS		<u><u>520,980</u></u>	<u><u>453,372</u></u>
EQUITY			
Issued capital	10	423,100	423,100
Retained earnings	11	97,880	30,272
TOTAL EQUITY		<u><u>520,980</u></u>	<u><u>453,372</u></u>

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 27.

Statement of Recognised Income and Expenditure For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Net Income recognised directly in Equity		-	-
Profit for the Period		67,608	12,426
Total recognised income and expense for the Period		<u>67,608</u>	<u>12,426</u>

Statement of cash flows For the year ended 30 June 2013

Cash flows from operating activities

Cash receipts in the course of operations		4,284,442	3,948,549
Interest received		495	258
Cash payments in the course of operations		(4,157,570)	(3,938,052)
Community commitment sponsorship payments		(1,000)	(909)
Net cash provided by/(used in) operating activities	12	<u>126,367</u>	<u>9,846</u>

Cash flows from investing activities

Payments for property, plant and equipment		(108,221)	-
Net cash used in investing activities		<u>(108,221)</u>	<u>-</u>

Cash flows from financing activities

Repayments of borrowings		-	-
Proceeds from the issue of shares		-	-
Dividend paid		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		18,146	9,846
Cash at the beginning of the financial year		76,135	66,289
Cash at the end of the financial year		<u>94,281</u>	<u>76,135</u>

These Statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 9 to 27.

Notes to and forming part of the financial statements For the year ended 30 June 2013

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 financial report was authorised for issue by the directors on 26th September, 2013.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (“AASB”) and the *Corporations Act 2001*. International Financial Reporting Standards (“IFRS”) form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS (“AIFRS”). The financial report of the Company also complies with IFRS and interpretations adopted by the International Accounting Standards Board.

The Company is a for profit entity.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis.

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.

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.

Notes to and forming part of the financial statements For the year ended 30 June 2013

1. Significant accounting policies (cont'd)

(c) 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 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.

(d) Revenue recognition

Goods sold

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

(e) 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.

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.

(f) Trade or other receivables

Trade and other receivables are stated at their cost less impairment losses.

Notes to and forming part of the financial statements For the year ended 30 June 2013

1. Significant accounting policies (cont'd)

(g) Inventories

Raw materials, stores and finished goods are carried at the lower of cost allocated and net realisable value.

Fuel cost is calculated using a First In First Out ('FIFO') basis.

(h) Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease.

(i) 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 (k)).

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) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in accounting policy (h).

(iii) 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 comprehensive income as an expense as incurred.

(iv) Depreciation/Amortisation

Depreciation is charged to the statement of comprehensive income 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 in the current and comparative periods are as follows:

<i>Property, plant and equipment</i>	2013	2012
Shop and forecourt	30 years	30 years
Fuel storage equipment	10-30 years	10-30 years
Fuel delivery equipment	5-20 years	5-20 years
Retail equipment	5-20 years	5-20 years
Office equipment	5-20 years	5-20 years

All depreciation rates are applied using a straight line basis.

Notes to and forming part of the financial statements For the year ended 30 June 2013

1. Significant accounting policies (cont'd)

(j) 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.

(k) Impairment

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 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.

(l) Payables

Trade and other payables are stated at cost.

(m) Employee benefits

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

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

Liabilities for employee benefits for site manager 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.

(n) Superannuation plan

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

Notes to and forming part of the financial statements For the year ended 30 June 2013

1. Significant accounting policies (cont'd)

(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) Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or providing products or services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure.

(q) New standards and interpretations not yet adopted

The following standards, have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2013, but have not been applied in preparing these financial statements:

- *AASB 9 Financial Instruments* – A new standard was issued in December 2009 and is mandatory for annual reporting periods beginning on or after 1 January 2013. It provides revised guidance on the classification and measurement of financial assets and is the first phase of a multi-phase project to replace *AASB 139 Financial Instruments: Recognition and Measurement*. Under the new guidance, a financial asset is to be measured at amortised cost only if it is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the asset give rise on specified dates to cash flows that are payments solely of principal and interest (on the principal amount outstanding). All other financial assets are to be measured at fair value. This standard was revised in December 2010 to include new requirements for the measurement and classification of financial liabilities. The Company has not yet determined the potential effect of the standard.
- *AASB 13: Fair Value Measurement* - replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:
 - Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.
 - Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
 - Level 3 – unobservable inputs for the asset or liabilityApplicable for annual reporting periods commencing on or after 1 January 2013. The Company has not yet determined the potential effect of the standard.
- *AASB 119: Employee Benefits* – The revisions to AASB 119 will change the accounting treatment for some defined benefit superannuation schemes. Changes include removing the option to use the 'corridor' method in recognizing the movement in the value of a defined benefit plan; requiring re-measurements to be presented as part of Other Comprehensive Income; an increased level of disclosure for defined benefit plans; termination benefits now distinguish between compensation for services provided and compensation for the termination of employment. Applicable for annual reporting periods commencing on or after 1 January 2013. The Company has not yet determined the potential effect of the standard.

Notes to and forming part of the financial statements For the year ended 30 June 2013

2. Cash and cash equivalents

	2013 \$	2012 \$
Cash on hand	1,066	1,066
Cash at bank	93,215	75,069
	<u>94,281</u>	<u>76,135</u>

3. Expenses

(a) Cost of goods sold

Fuel	3,083,949	2,933,975
Hardware	142,095	84,806
Stock feed and rural supplies	72,179	61,988
Other	230,334	207,411
	<u>3,528,557</u>	<u>3,288,180</u>

(b) Employee expenses

Salaries and wages	193,456	198,100
Superannuation	15,411	16,720
Workers compensation	2,748	2,748
	<u>211,615</u>	<u>217,568</u>

4. Trade and other receivables

Trade debtors	105,256	74,260
GST refundable	30,777	27,056
Prepayments	421	453
	<u>136,454</u>	<u>101,769</u>

Trade debtors are shown net of impairment losses amounting to Nil (2012: Nil).

Notes to and forming part of the financial statements For the year ended 30 June 2013

5. Inventories

	2013 \$	2012 \$
<i>Finished goods</i>		
Fuel	69,851	57,785
Motor accessories and Oil	8,269	8,116
Rural supplies and hardware	87,195	78,115
Sundry	9,862	10,890
	<u>175,177</u>	<u>154,906</u>

6. Other Assets

10 Shares in "YCDCo (Yackity Yak) Pty Ltd"	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

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

7. Property, plant and equipment

Land		
<i>Land at cost</i>	107,488	-
	<u>107,488</u>	<u>-</u>
Building improvements (formerly leasehold improvements)		
<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(54,678)	(49,023)
	<u>49,021</u>	<u>54,676</u>
<i>Shop and forecourt at cost</i>	293,876	293,876
<i>Accumulated depreciation</i>	(92,000)	(81,215)
	<u>201,876</u>	<u>212,661</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

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

	2013 \$	2012 \$
Plant and Equipment		
<i>Fuel delivery equipment at cost</i>	113,339	113,339
<i>Accumulated depreciation</i>	(95,663)	(87,861)
	<u>17,676</u>	<u>25,478</u>
 <i>Retail sales equipment at cost</i>	 12,752	 12,023
<i>Accumulated depreciation</i>	(10,436)	(9,685)
	<u>2,316</u>	<u>2,338</u>
 <i>Office equipment at cost</i>	 3,289	 3,289
<i>Accumulated depreciation</i>	(1,758)	(1,302)
	<u>1,531</u>	<u>1,987</u>
 Total Property, plant and equipment	 <u>379,908</u>	 <u>297,140</u>

Reconciliations

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

Land

Carrying amount at beginning of year	-	-
Additions	107,488	-
Disposals	-	-
Carrying amount at the end of the year	<u>107,488</u>	<u>-</u>

Fuel Storage Equipment

Carrying amount at beginning of year	54,676	60,347
Additions	-	-
Disposals	-	-
Depreciation	(5,655)	(5,671)
Carrying amount at end of year	<u>49,021</u>	<u>54,676</u>

Shop and Forecourt

Carrying amount at beginning of year	212,661	223,476
Additions	-	-
Disposals	-	-
Depreciation	(10,785)	(10,815)
Carrying amount at end of year	<u>201,876</u>	<u>212,661</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

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

	2013 \$	2012 \$
<i>Fuel Delivery Equipment</i>		
Carrying amount at beginning of year	25,478	33,394
Additions	-	-
Disposals	-	-
Depreciation	(7,802)	(7,916)
Carrying amount at end of year	<u>17,676</u>	<u>25,478</u>
<i>Retail Sales Equipment</i>		
Carrying amount at beginning of year	2,338	3,424
Additions	733	-
Disposals	-	-
Depreciation	(755)	(1,086)
Carrying amount at end of year	<u>2,316</u>	<u>2,338</u>
<i>Office Equipment</i>		
Carrying amount at beginning of year	1,987	2,459
Additions	-	-
Disposals	-	-
Depreciation	(456)	(472)
Carrying amount at end of year	<u>1,531</u>	<u>1,987</u>

8. Trade and other payables

Accruals	12,338	6,502
Trade creditors	177,664	138,133
PAYG Withholding payable	6,626	5,542
GST payable	35,082	28,706
	<u>231,710</u>	<u>178,883</u>

9. Employee Benefits

Current		
Annual leave	7,996	3,437
Accrued salaries and wages	3,389	-
	<u>11,385</u>	<u>3,437</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

10. Equity

	Note	2013 \$	2012 \$
Issued capital			
4,231 (2012: 4,231) ordinary shares, fully paid		<u>423,100</u>	<u>423,100</u>
Ordinary shares			
Movements during the year:			
Balance at beginning of year		423,100	423,100
<i>Shares issued</i>		-	-
Closing balance		<u>423,100</u>	<u>423,100</u>

11. Retained Earnings

Retained profits at the beginning of the financial period		30,272	17,846
Current period profit		67,608	12,426
Dividend paid	19	-	-
Retained Profits at end of financial period		<u>97,880</u>	<u>30,272</u>

12. 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		67,608	12,426
Add/(less) non-cash items:			
Depreciation/Amortisation		25,453	25,960
(Increase)/decrease in deferred tax assets		(4,127)	4,137
Increase/(decrease) in tax payable		31,614	(3,898)
Net cash provided by operating activities before change in assets and liabilities		<u>120,548</u>	<u>38,625</u>
Change in assets and liabilities during the financial year			
(Increase)/Decrease in inventories		(20,271)	(22,403)
(Increase)/Decrease in receivables		(34,685)	(19,571)
Increase/(Decrease) in payables		52,827	17,346
Increase/(Decrease) in employee benefits		7,984	(4,151)
		<u>126,367</u>	<u>9,846</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

13. Segment Reporting

Business segments

The Company comprises the following main business segments:

- *Fuel*: The sale of petroleum.
- *Rural supplies*: The sale of hardware and stockfeed.
- *Other*: The sale of other assorted products.

Geographical segments

All segments are managed in Yackandandah, Victoria.

Business segments

	Fuel		Rural Supplies		Other		Continuing Operations	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
External revenues	3,306,623	3,111,097	454,845	340,026	165,031	156,530	3,926,499	3,607,653
Inter-segment revenues	-	-	-	-	-	-	-	-
Segment revenue	3,306,623	3,111,097	454,845	340,026	165,031	156,530	3,926,499	3,607,653
Segment results	226,216	177,122	152,777	119,013	49,390	47,037	428,383	343,172
Unallocated expenses	-	-	-	-	-	-	(331,863)	(325,071)
Results from operating activities	-	-	-	-	-	-	96,520	18,101
Income tax expense	-	-	-	-	-	-	(28,912)	(5,675)
Profit for the period after tax	-	-	-	-	-	-	67,608	12,426
	Fuel		Rural Supplies		Other		Continuing Operations	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Segment assets	218,600	196,056	96,092	87,239	9,233	9,882	323,925	293,177
Unallocated assets	-	-	-	-	-	-	470,395	341,146
Total assets	218,600	196,056	96,092	87,239	9,233	9,882	794,320	634,323
Segment liabilities	129,469	107,944	9,180	14,198	-	-	138,649	122,142
Unallocated liabilities	-	-	-	-	-	-	134,691	58,809
Total liabilities	129,469	107,944	9,180	14,198	-	-	273,340	180,951
Capital expenditure	-	-	-	-	-	-	-	-
Unallocated capital expenditure	-	-	-	-	-	-	-	-
Depreciation	13,457	13,587	-	-	-	-	13,457	13,587
Unallocated depreciation	-	-	-	-	-	-	11,996	12,373

Notes to and forming part of the financial statements For the year ended 30 June 2013

14. Related Parties

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

J Lacey	K Keegan
P Newman	M Charles-Jones
E Silvester	B Lauritz
M Rosenbrock (appointed April 2013)	

All directors are non-executive directors.

Transactions with key management personnel

Apart from the above, no other non-executive director has received any remuneration from the Company. The key management personnel compensation included in “employee expenses” are as follows:

	2013 \$	2012 \$
Short-term employee benefits	-	-
Other long-term benefits	-	-
	<u> -</u>	<u> -</u>

The aggregate amounts recognised during the period relating to directors and their director-related entities were as follows:

Director	Transaction		2013	2012
J. Lacey	Purchases – stock & stationery (1)		14,186	14,478
(1)	Goods purchased from Yackandandah Authorised Newsagency (excluding GST)			

Certain director related parties are employed by the Company during the year as driveway attendants. The terms and conditions of employment for those persons is the same as those employees who are non director related.

All transactions with directors, or their director related parties are on normal terms and conditions or on a basis more favourable to the Yackandandah Community Development Company. Purchases by directors and director related parties from the retail site are on terms no more favourable than those available to the general public and are trivial or domestic in nature.

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

Current receivables			
Trade debtors		-	-
Current payables			
Trade creditors		555	348

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.

Notes to and forming part of the financial statements For the year ended 30 June 2013

14. Related Parties (cont'd)

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	29	66
Options over ordinary shares	-	-

15. Economic dependency

100% of the fuel sold by the Company is currently sourced from Shell Fuels. 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 Horwath.

	2013 \$	2012 \$
<i>Auditors of the Company</i>		
2013 Audit fees*	13,300	-
2012 Audit fees*	1,000	10,880
2011 Audit fees*	-	1,800
Other services- taxation	2,350	2,435
	<u>16,650</u>	<u>15,115</u>

*- includes financial statement assistance

17. Commitments

Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements and payable:

Within one year	-	-
One year or later and no later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>

In the prior year, the Company has operated from leased property under a non-cancellable operating lease. The initial term expired on 12 August 2011 and provided the Company with a right of renewal for a further four terms of five years each. During the year, the Company purchased this property at 29 Railway Avenue from the Indigo Shire Council. This property is now recorded as an asset on the Company's balance sheet. Refer to Note 7.

Notes to and forming part of the financial statements For the year ended 30 June 2013

17. Commitments (cont'd)

	2013 \$	2012 \$
<i>Equipment lease expense commitments</i>		
Future equipment lease commitments not provided for in the financial statements and payable:		
Within one year	-	-
One year or later and no later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<i>Capital commitments</i>	Nil	Nil

18. Community Contribution

Sponsorships were allocated to the following community groups and organisations:

Yackandandah Kindergarten	-	454
Yackandandah Community Education Network	1,000	-
Yackandandah Scouts	-	455
	<u>1,000</u>	<u>909</u>
	<u>1,000</u>	<u>909</u>

19. Dividends

No dividend was paid in the year (2012 year: Nil).

20. Taxation

(a) Income tax expense

Prima facie income tax expense calculated at 30% (2012: 30%) on the profit/(loss) from ordinary activities	28,956	5,431
Increase in income tax expense due to:		
Other	-	11
Income tax under/(over) provided in prior year	(44)	233
	<u>28,912</u>	<u>5,675</u>
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>28,912</u>	<u>5,675</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

20. Taxation (cont'd)

(a) Income tax expense (continued)

Note	2013 \$	2012 \$
Income tax expense/(benefit) attributable to profit/(loss) from ordinary activities is made up of:		
Current tax expense	33,038	1,538
Deferred tax expense	(4,082)	3,904
(Over)/under provision in respect of prior years	(44)	233
	28,912	5,675

(b) Current tax liabilities

Provision for current income tax

Movements during the year:

Balance at beginning of year	(1,369)	2,529
Income tax(paid)/refunded	(1,380)	(5,669)
Current year's income tax expense on profit from ordinary activities	33,038	1,538
(Over)/under provision in respect of prior years	(44)	233
	30,245	(1,369)

(c) Deferred tax assets

Future income tax benefit

Future income tax benefit comprises the estimated future benefit at the applicable rate of 30% on the following items:

Provisions and accrued employee benefits not currently deductible	7,500	3,373
	7,500	3,373

21. Contingent liabilities and contingent assets

Nil.

Notes to and forming part of the financial statements For the year ended 30 June 2013

22. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Credit risk

Credit risk is the risk of loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade and receivables

The Company's exposure to credit risk is influenced mainly by the characteristics of the individual customer. The demographics of the customer base, including the default risk of the industry and the country in which it operates has less of an impact on the credit risk. Approximately 4.3 percent (2012: 4.1 percent) of the Company's revenue is attributable to sales transactions with one customer (Indigo Shire Council).

The Company has a policy of assessing each new customer's credit worthiness prior to credit and prior to services being provided. Losses have occurred just once in the last five years. Purchase limits are established for all customers, which represent the maximum time allowed for the debt to be settled in full. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company on a prepayment basis.

The Company has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments.

Investments

The Company has no investments at this point, except in YCDCo (Yackity Yak) Pty Ltd, a 100% owned subsidiary. This is an operating subsidiary.

Guarantees

Group policy is to provide financial guarantees only when absolutely necessary. Just one outstanding guarantee exists, with The Shell Company of Australia Limited.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on hand to meet expected operational expenses for a period of 60 days, including the serving of financial obligations; this excludes the potential impact of extreme circumstances which cannot reasonably be predicted, such as natural disasters. In addition the Company maintains the following lines of credit:

- Overdraft facility of \$75,000 with an interest rate of 10.05% (2012: 9.33%).

Notes to and forming part of the financial statements For the year ended 30 June 2013

22. Financial risk management (cont'd)

Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to any currency risk on sales, purchases or borrowings that are denominated in a currency other than the Australian dollar (AUD).

Interest rate risk

The Company's interest rate exposure is limited to its overdraft facility. At reporting date this facility was unused.

Capital Management

The Board is mindful of the need for a strong capital base and are focussed on attaining this in the coming years. The Board monitors the return on capital and the total return to ordinary shareholders.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

23. Financial Instruments

Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure.

The Company's maximum credit exposure at 30 June 2013 was:

	Carrying amount	
	2013	2012
	\$	\$
Loans and receivables	105,256	74,260
Cash and cash equivalents	94,281	76,135
	<u>199,537</u>	<u>150,395</u>

The Company's maximum exposure to credit risk for trade receivables at reporting date by geographic region was:

Australia	105,256	74,260
	<u>105,256</u>	<u>74,260</u>

The Company's maximum exposure to credit risk for trade receivables at reporting date by customer type was:

Retail customers	105,256	74,260
	<u>105,256</u>	<u>74,260</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

23. Financial instruments (cont'd)

Impairment losses

At reporting date the Company had receivables past due of \$11,030 (2012: \$4,335). The ageing of the Company's receivables at reporting date was:

	Gross 2013	Accumulated Impairment loss 2013	Gross 2012	Accumulated Impairment loss 2012
	\$	\$	\$	\$
Not past due	94,226	-	69,925	-
Past due 0-30 days	10,784	-	4,112	-
Past due 31-60 days	98	-	-	-
More than 60 days	148	-	223	-
	<u>105,256</u>	<u>-</u>	<u>74,260</u>	<u>-</u>

The movement in the allowance for impairment in respect of trade receivables through the year was as follows:

	2013	2012
	\$	\$
Balance at 1 July	-	3,269
Impairment loss recognised	-	-
General provision reversal	-	(3,269)
Balance at 30 June	<u>-</u>	<u>-</u>

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of receivables not past due or up to 30 days past due.

Liquidity Risk

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

30 June 2013

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	231,710	231,710	231,710	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
	<u>231,710</u>	<u>231,710</u>	<u>231,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

30 June 2012

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	178,883	178,883	178,883	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
	<u>178,883</u>	<u>178,883</u>	<u>178,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the financial statements For the year ended 30 June 2013

23. Financial instruments (cont'd)

Currency risk

The Company was not exposed to any foreign currency risk at reporting date (2012: nil).

Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2013	2012
	\$	\$
Variable instruments		
Financial assets	93,215	75,069
Financial liabilities	-	-
	<u>93,215</u>	<u>75,069</u>

Fair Values

Fair values versus carrying amount

The fair values of financial assets and liabilities were equal to the carrying amounts shown in the balance sheet as at reporting date.

24. Subsequent events

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

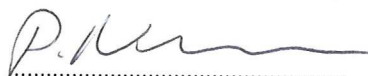
Directors' declaration

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

- (a) the financial statements and notes as set out on pages 6 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 2013, and of its performance for the year ending on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001;
- (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; and
- (c) the financial statements also comply with international financial reporting standards to the extent disclosed in the notes in the financial statements.

Dated at Yackandandah this 26 day of September 2013.

Signed in accordance with a resolution of the directors.



Director, Phillip Newman



Director, Brendan Lauritz

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

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 2013 and the statement of comprehensive income, statement of recognised income and expenditure and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 24 and the directors' declaration set out on pages 6 to 28.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Company, comprising the financial statements and notes, comply with International Financial Reporting Standards.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



OPINION

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date;
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink that reads "Bradley D Bohun".

CROWE HORWATH ALBURY

BRADLEY D BOHUN

Partner

Dated at Albury this 26 day of September 2013.