ANNUAL REPORT

of

Yackandandah Community Development Company Limited

ABN 45 099 899 886

For the year ended 30 June 2017

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 2017 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 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 a consistent result for the 2016/2017 financial year. Revenue from fuel sales has increased by 4% over the preceding year which is reflective of the increase in the average price of fuel sold. Revenue from other sales decreased by 5%.

The business for non fuel sales has decreased 5% but remains on a growth trendin line with customer numbers as refinements in the type of products held as stock continue to be made.

The Board acknowledge the dedication and hard work of all the YCDCo staff.

Financial Result

The Company reports an operating profit before tax of $170,092 for the year ended 30 June 2017. This compares to an operating profit before tax of $131,666 for the year ended 30 June 2016.

Financial Reports

Detailed audited financial statements for the year ended 30 June 2017 are included in this Annual Report.

Dividends

Dividends were declared and paid during the reporting period $42,310 (2016: nil).

On 28 July 2016, the Company declared a dividend of $10 per share in respect of the year ended 30 June 2017.

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 2017)	$790,795
Number of shares on issue (as at 30 June 2017)	4,231
Share Transfer Price (net asset backing per share)	**$186.90**

The Share Transfer Price as reported in last year's Annual Report was $167.92.

Directors' Report (continued)

State of Affairs

YCDCo continues to operate on a commercial sustainable basis, enabling dividends to be distributed to shareholders ($42,310) and investment back into the community of Yackandandah and surrounds.

Investment into the community is not just represented by local employment (15 employees), fuel sold to shareholders (722,909 litres) at a discount or community projects supported ($9,741). It also takes the form of confidence in the business community and support of a diverse thriving community.

During 2016/2017 the Board approved the purchase a diesel generator to provide back-up power to the service station during power outages and emergency events. The generator is relocatable and may be used at community events in and around Yackandandah. A review of the current service station lay-out was also initiated during the 2016/2017 financial year, which is expected to continue on into the next financial year.

The Board remains committed to retaining the broad-based community ownership of YCDCo. 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 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

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

Phillip Andrew Newman (Chairperson)
Age: 56
Occupation: Librarian
Director since: January 2010

Myron James Bullivant
Age: 49
Occupation: Business Development Manager
Director since: July 2013

Michael Rosenbrock
Age: 37
Occupation: Bachelor of Education
Director since: April 2013
Resigned: June 2017

Kevin Poyner
Age: 63
Occupation: Architect
Director since: January 2015

Brendan Stewart Lauritz
Age: 53
Occupation: Corporate Services Manager
Director since: December 2010
Resigned: April 2017

Barry John Maginness
Age: 56
Occupation: Project Manager
Director since: June 2014

Directors' Report (continued)

Andrew Grieg
Age: 49
Occupation: Research & Development Manager
Director since: July 2014

Michael Bell
Age: 43
Occupation: Accountant
Director since : January 2016

Company secretary

Michael Bell was appointed to the position of Company Secretary in April 2017 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 year are:

	*Meetings held **	*Meetings attended*
Phil Newman	8	7
Michael Bell	8	8
Brendan Lauritz – resigned April 2017	5	5
Andrew Grieg	8	8
Michael Rosenbrock – resigned June 2017	7	3
Myron Bullivant	8	6
Barry Maginness	8	7
Kevin Poyner	8	6

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

Directors' Benefits

Since the end of the previous financial year no director of the Company has received or became 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 12 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 2017, 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 6.

Directors' Report (continued)

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 14th day of October 2017.

....
Director, Phillip Newman

....
Director, Michael Bell

Crowe Horwath Albury
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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 2017 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

CROWE HORWATH ALBURY

BRADLEY D BOHUN
Partner

Dated at Albury this 14th day of October 2017.

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	2017 $	2016 $
Revenue from fuel sales		3,069,321	2,958,165
Revenue from other sales		768,690	808,339
Interest received		937	1,241
		3,838,948	3,767,745
Cost of goods sold	3(a)	3,322,860	3,282,580
Audit and tax fees		16,800	15,995
Advertising and promotion		4,105	919
Depreciation and amortisation		21,451	20,503
Electricity		5,942	3,439
Employee expenses (including director-based payments)	3(b)	243,195	260,608
Government and bank charges		1,726	1,420
Insurance		4,391	4,330
Printing and stationery		18,752	13,763
Telephone		4,585	4,990
Rent		8,263	7,659
Other expenses		7,485	9,322
Community Contribution	15	9,301	10,551
		3,668,856	3,636,079
Profit before tax		170,092	131,666
Income tax expense	17(a)	47,454	37,401
Profit for the period after tax		122,638	94,265
Other comprehensive income		-	-
Total comprehensive income for the year		122,638	94,265

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.

Statement of financial position
As at 30 June 2017

	Note	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	2	297,155	177,748
Trade and other receivables	4	105,549	92,393
Inventories	5	217,244	201,978
Other assets	6	1,000	1,000
TOTAL CURRENT ASSETS		620,948	473,119
NON CURRENT ASSETS			
Property, plant and equipment	7	374,137	371,582
Deferred tax assets	17(b)	3,094	7,545
TOTAL NON CURRENT ASSETS		377,231	379,127
TOTAL ASSETS		998,179	852,246
CURRENT LIABILITIES			
Trade and other payables	8	176,131	114,037
Income tax payable/(refundable)		21,470	17,808
Employee benefits	9	9,783	9,934
TOTAL CURRENT LIABILITIES		207,384	141,779
TOTAL LIABILITIES		207,384	141,779
NET ASSETS		790,795	710,467
EQUITY			
Issued capital	10	423,100	423,100
Retained earnings		367,695	287,367
TOTAL EQUITY		790,795	710,467

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.

Statement of changes in equity
For the year ended 30 June 2017

	Note	Share capital $	Retained earnings $	Total $
Balance at 1 July 2016		423,100	287,367	710,467
Total comprehensive income for the period				
Profit or loss		-	122,638	122,638
Dividend Paid		-	(42,310)	(42,310)
Balance as at 30 June 2017		423,100	367,695	790,795

	Share capital $	Retained earnings $	Total $
Balance at 1 July 2015	423,100	193,102	616,202
Total comprehensive income for the period			
Profit or loss	-	94,265	94,265
Dividend Paid	-	-	-
Balance as at 30 June 2016	423,100	287,367	710,467

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.

Statement of cash flows
For the year ended 30 June 2017

Cash flows from operating activities	Note	2017 $	2016 $
Cash receipts in the course of operations		4,211,915	4,146,305
Interest received		937	1,241
Cash payments in the course of operations		(4,015,636)	(4,055,535)
Community commitment sponsorship payments		(9,741)	(10,551)
Net cash provided by/(used in) operating activities	11	187,475	81,460
Cash flows from investing activities			
Payments for property, plant and equipment		(25,758)	-
Net cash used in investing activities		(25,758)	-
Cash flows from financing activities			
Repayments of borrowings		-	-
Proceeds from the issue of shares		-	-
Dividend paid		(42,310)	-
Net cash used in financing activities		(42,310)	-
Net increase/(decrease) in cash held		119,407	81,460
Cash at the beginning of the financial year		177,748	96,288
Cash at the end of the financial year		297,155	177,748

This Statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.

Notes to and forming part of the financial statements
For the year ended 30 June 2017

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 14 October 2017.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issues by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* as appropriate for for-profit oriented 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.

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 2017

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 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.

(d) Revenue recognition

Goods sold

Revenue from the sale of goods is recognised in profit or loss 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 2017

1. Significant accounting policies (cont'd)

(g) Inventories

Inventories are carried at the lower of cost 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 1(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) 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	30 years
Fuel storage equipment	10-30 years
Fuel delivery equipment	5-20 years
Retail equipment	5-20 years
Office equipment	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 2017

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 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.

(l) 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 Finance Officer 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.

(m) Superannuation plan

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

(n) 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.

Notes to and forming part of the financial statements
For the year ended 30 June 2017

1. Significant accounting policies (cont'd)

(o) 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.

(p) 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 2017, but have not been applied in preparing these financial statements:

- *AASB 9: Financial Instruments* – The new standard replaces the existing complicated, rules-based approach to financial instruments with simplified principles. Increased judgement will be required to apply these principles. A deeper understanding of how an entity manages its financial instruments will be required. Depending on circumstance, more financial instruments will likely be measured subsequently at fair value. System remodelling will likely be required to implement impairment.

  Classification and measurement:

  - The classification of financial assets has been simplified: Debt instruments meeting the 'business model' and 'cash flow characteristics' tests can be measured at amortised cost. All other financial assets, including investments in equity instruments, are measured at fair value. Movements in fair value for equity instruments can be presented in other comprehensive income (OCI) in some instances.
  - Most financial liabilities will be classified and measured at amortised cost. Others, such as derivatives, are measured at fair value through profit or loss.
  - For financial assets, embedded derivatives are not separated from the host.
  - Reclassifications of financial assets can only take place in limited circumstances; this is expected to be uncommon. Financial liabilities are not reclassified.
  - Fair value is measured as an exit price from the perspective of a market participant, including 'non-performance risk' adjustments for liabilities, which are presented in OCI. Cost may be an approximation of fair value only in very limited circumstances.

  Impairment:

  - In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Company will adopt this standard from 1 July 2018 and whilst the full impact of its adoption is still being quantified by the Company, the Company does not expect any significant changes to the classification and measurement or impairment of their financial assets.

Notes to and forming part of the financial statements For the year ended 30 June 2017

(p) New standards and interpretations not yet adopted (continued)

- *AASB 15 Revenue from Contract with Clients* - the standard replaces most of the existing standards and interpretations relating to revenue recognition, including AASB 118 *Revenue* and AASB 111 *Construction Contracts*. The standard will have little, if any, effect on the amount and timing of revenue recognised for the most straightforward contracts. Changes are likely where contracts extend over time, where there are considerations that may vary the timing or amount of the consideration, or where there are multiple performance elements, such as product warranties, customer loyalty programmes, customer incentives and rights of return. Some industries, for example telecommunications, construction and software, will be significantly impacted.

  The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. All existing revenue recognition will follow a 5-step process:
  - Step 1: Identify the contract with the customer,
  - Step 2: Identify the performance obligations in the contract,
  - Step 3: Determine the transaction price,
  - Step 4: Allocate the transaction price to the performance obligations in the contract, and
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

  Significant implementation guidance is included with the standard.

  The Company will adopt this standard from 1 July 2018 and expects ongoing client fees to be treated in the scope of AASB 15. Although the Company anticipates that the adoption of AASB 15 may have an impact on the financial statements, it is not yet in a position to provide a reasonable estimate of such impact.

- *AASB 16 Leases* - This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

  The Company will adopt this standard from 1 July 2019 whilst the full impact of its adoption is yet to be assessed by the Company, the Company expects the likely impact to be an increase in property, plant and equipment, an increase in liabilities and changes to profit and loss balances as described above.

Notes to and forming part of the financial statements
For the year ended 30 June 2017

2. Cash and cash equivalents

	2017 $	2016 $
Cash on hand	1,265	1,265
Cash at bank	301,806	182,107
Undeposited funds	(5,916)	(5,624)
	297,155	177,748

3. Expenses

(a) Cost of goods sold

Fuel	2,775,584	2,694,153
Hardware	163,521	186,946
Stock feed and rural supplies	133,238	132,531
Other	250,517	268,950
	3,322,860	3,282,580

(b) Employee expenses

Salaries and wages	223,281	240,387
Superannuation	16,922	19,416
Workers compensation	2,992	805
	243,195	260,608

4. Trade and other receivables

Trade debtors	69,797	60,801
GST refundable	31,549	27,447
Prepayments	4,203	4,145
	105,549	92,393

Trade debtors are shown net of impairment losses amounting to Nil (2016: Nil).

Notes to and forming part of the financial statements
For the year ended 30 June 2017

5. Inventories

	2017 $	2016 $
Fuel	54,281	55,639
Motor accessories and Oil	14,481	12,933
Rural supplies and hardware	135,448	121,389
Sundry	13,034	12,017
	217,244	201,978

6. 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(n) provides additional information.

7. Property, plant and equipment

Land		
Land at cost	107,488	107,488
	107,488	107,488
Building improvements		
Fuel storage equipment at cost	103,699	103,699
Accumulated depreciation	(65,505)	(63,148)
	38,194	40,551
Shop and forecourt at cost	320,360	320,360
Accumulated depreciation	(138,615)	(126,945)
	181,745	193,415
Plant and Equipment		
Fuel delivery equipment at cost	113,339	115,975
Accumulated depreciation	(105,479)	(103,853)
	7,860	12,122
Retail sales equipment at cost	51,256	26,404
Accumulated depreciation	(20,949)	(17,974)
	30,307	8,430

Notes to and forming part of the financial statements
For the year ended 30 June 2017

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

	2017 $	2016 $
Office equipment at cost	4,198	3,289
Accumulated depreciation	(3,099)	(2,639)
	1,099	650
Motor vehicles at cost	11,858	11,858
Accumulated depreciation	(4,414)	(2,932)
	7,444	8,926
Total Property, plant and equipment	374,137	371,582

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

	2017	2016
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	40,551	42,915
Additions	-	-
Disposals	-	-
Depreciation	(2,357)	(2,364)
Carrying amount at end of year	38,194	40,551
Shop and Forecourt		
Carrying amount at beginning of year	193,415	205,153
Additions	-	-
Disposals	-	-
Depreciation	(11,670)	(11,738)
Carrying amount at end of year	181,745	193,415
Fuel Delivery Equipment		
Carrying amount at beginning of year	12,122	13,757
Additions	-	-
Disposals	(1,752)	-
Depreciation	(2,510)	(1,635)
Carrying amount at end of year	7,860	12,122

Notes to and forming part of the financial statements
For the year ended 30 June 2017

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

	2017 $	2016 $
Retail Sales Equipment		
Carrying amount at beginning of year	8,430	11,476
Additions	24,849	-
Disposals	-	-
Depreciation	(2,972)	(3,046)
Carrying amount at end of year	30,307	8,430
Office Equipment		
Carrying amount at beginning of year	650	885
Additions	910	-
Disposals	-	-
Depreciation	(461)	(235)
Carrying amount at end of year	1,099	650
Motor Vehicles		
Carrying amount at beginning of year	8,926	10,412
Additions	-	-
Disposals	-	-
Depreciation	(1,482)	(1,486)
Carrying amount at end of year	7,444	8,926
Total Property, plant and equipment	374,137	371,582

8. Trade and other payables

	2017 $	2016 $
Accruals	8,817	11,610
Trade creditors	125,069	67,818
PAYG Withholding payable	9,031	5,957
GST payable	33,214	28,652
	176,131	114,037

Unclaimed dividends for the amount of $4,313 (2016: $1,100) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

9. Employee Benefits

	2017 $	2016 $
Current		
Annual leave	2,878	2,878
Accrued salaries and wages	6,905	7,056
	9,783	9,934

Notes to and forming part of the financial statements
For the year ended 30 June 2017

10. Equity

	Note	2017 $	2016 $
Issued capital			
4,231 (2016: 4,231) ordinary shares, fully paid		423,100	423,100

11. Notes to the statement of cash flows

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

	2017	2016
Operating profit/(loss) after income tax	122,638	94,265
Add/(less) non-cash items:		
Depreciation/Amortisation	21,451	20,504
Loss/(Gain) on sale of property, plant and equipment	1,752	-
Net cash provided by operating activities before change in assets and liabilities	145,841	114,769
Change in assets and liabilities during the financial year		
(Increase)/Decrease in inventories	(15,266)	(5,308)
(Increase)/Decrease in receivables	(13,156)	2,144
(Increase)/decrease in deferred tax assets	4,451	2,662
Increase/(Decrease) in payables	62,094	(39,676)
Increase/(Decrease) in employee benefits	(151)	(8,499)
Increase/(decrease) in tax payable	3,662	15,368
	187,475	81,460

Notes to and forming part of the financial statements
For the year ended 30 June 2017

12. 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:

P Newman
M Bullivant
B Lauritz (resigned April 2017)
B Maginness
K Poyner
M Rosenbrock (resigned June 2017)
A Grieg
M Bell

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:

	2017 $	2016 $
Short-term employee benefits	-	-
Other long-term benefits	-	-
	-	-

Directors are reimbursed for the fuel that is purchased from the Company. All other transactions with directors, or their director related parties are on normal terms and conditions. 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:

	2017 $	2016 $
Current receivables		
Trade debtors	-	-
Current payables		
Trade creditors	-	-

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	86	86
Options over ordinary shares	-	-

Notes to and forming part of the financial statements
For the year ended 30 June 2017

13. Economic dependency

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

14. Auditor's Remuneration

The following services were provided to the Company by Crowe Horwath.

	2017 $	2016 $
Auditors of the Company		
2017 Audit fees*	14,490	13,800
Other services- taxation	2,495	2,495
	16,985	16,295

*includes financial statement assistance

15. Community Contribution

Sponsorships were allocated to the following community groups and organisations:

Building Works	-	2,000
Billy Cart Race	-	100
Wasp Eradication Project	87	-
Yackandandah Folk Festival	1,600	-
The Pest & Vermin Control Centre	614	-
Yackandandah Primary School	-	1,152
Yackandandah Station	-	396
Yackandandah Kindergarten	-	6,533
Yackandandah Public Hall	7,000	-
	9,301	10,551

16. Dividends

Dividends of $42,310 were paid during the 2017 year (2016 year: nil).

Notes to and forming part of the financial statements
For the year ended 30 June 2017

17. Taxation

(a) Income tax expense

	2017 $	2016 $
Prima facie income tax expense calculated at 27.5% (2016: 30%) on the profit/(loss)	46,775	39,500
Increase in income tax expense due to:		
Other	50	(169)
Restatement of DTA/DTL due to changes in the Company tax rate	629	-
Income tax under/(over) provided in prior year	-	(1,930)
Income tax expense/(benefit) attributable to profit from ordinary activities	47,454	37,401
Income tax expense/(benefit) attributable to profit/(loss) from ordinary activities is made up of:		
Current tax expense	43,004	36,669
Deferred tax expense	4,450	2,662
(Over)/under provision in respect of prior years	-	(1,930)
	47,454	37,401

(b) Deferred tax assets

Future income tax benefit

Future income tax benefit comprises the estimated future benefit at the applicable rate of 27.5% (2016: 30%) on the following items:

	2017	2016
Provisions and accrued employee benefits not currently deductible	3,094	7,545
	3,094	7,545

18. Contingent liabilities and contingent assets

Nil.

Notes to and forming part of the financial statements
For the year ended 30 June 2017

19. 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 2.8 percent (2016: 3.02 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 and has not been consolidated in the financial report on the basis that its revenue and expenditure from continuing operations is immaterial as at reporting date.

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 meets 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:

Notes to and forming part of the financial statements
For the year ended 30 June 2017

19. Financial risk management (cont'd)

- Overdraft facility of $75,000 with an interest rate of 8.70% (2016: 8.70%).

Market risk
Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity process 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.

20. 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 2017 was:

	Carrying amount	
	2017	**2016**
	$	**$**
Loans and receivables	69,797	60,801
Cash and cash equivalents	297,155	177,748
	366,952	238,549

Notes to and forming part of the financial statements
For the year ended 30 June 2017

20. Financial instruments (cont'd)

Impairment losses
At reporting date the Company had receivables past due of $3,599 (2016: $1,618). The ageing of the Company's receivables at reporting date was:

	Gross 2017 $	Accumulated Impairment loss 2017 $	Gross 2016 $	Accumulated Impairment loss 2016 $
Not past due	66,198	-	59,011	-
Past due 0-30 days	2,864	-	1,130	-
Past due 31-60 days	4	-	191	-
More than 60 days	731	-	469	-
	69,797	-	60,801	-

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 2017

	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	179,131	179,131	179,131	-	-	-	-
	179,131	179,131	179,131	-	-	-	-

30 June 2016

	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	114,037	114,037	114,037	-	-	-	-
	114,037	114,037	114,037	-	-	-	-

Currency risk
The Company was not exposed to any foreign currency risk at reporting date (2016: nil).

Notes to and forming part of the financial statements
For the year ended 30 June 2017

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

	Carrying amount	
	2017	**2016**
	$	**$**
Variable instruments		
Financial assets	301,806	182,107
Financial liabilities	-	-
	301,806	182,107

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.

21. 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 7 to 28, 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 2017, and of its performance for the year ending on that date; and

(ii) complying with Accounting Standards Reduced Disclosure Requirements 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 14th day of October 2017.

Signed in accordance with a resolution of the directors.

.... Director, Phillip Newman

.... Director, Michael Bell

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Yackandandah Community Development Company Limited

Independent Auditor's Report to the Members of Yackandandah Community Development Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yackandandah Community Development Company Limited (the Company), which comprises the statement of financial position as at 30 June 2017, 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 the Company 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 2017 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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* (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.

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 – Reduced Disclosure Requirements 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.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, 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.

Crowe Horwath

CROWE HORWATH ALBURY

BRADLEY D BOHUN

Partner

Dated at Albury this 14th day of October 2017.