



# ANNUAL REPORT

of

**Yackandandah Community Development  
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2019

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 2019 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 2018/2019 financial year. Revenue from fuel sales has increased by 7% over the preceding year which is reflective of the increase in the average price of fuel sold. Revenue from other sales has increased by 3%.

The business for non fuel sales has increased by 3% and remains on a growth trend in 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 \$164,369 for the year ended 30 June 2019. This compares to an operating profit before tax of \$143,420 for the year ended 30 June 2018.

### Financial Reports

Detailed audited financial statements for the year ended 30 June 2019 are included in this Annual Report.

### Dividends

Dividends were declared and paid during the reporting period \$42,300 (2018: nil).

### 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:

<b>Net Equity (see Balance Sheet as at 30 June 2019)</b>	<b>\$967,899</b>
<b>Number of shares on issue (as at 30 June 2019)</b>	<b>4,231</b>
<b>Share Transfer Price (net asset backing per share)</b>	<b>\$228.76</b>

The Share Transfer Price as reported in last year's Annual Report was \$211.44.

## State of Affairs

YCDCo continues to operate on a commercially sustainable basis, enabling dividends to be distributed to shareholders (2019 - \$42,300) and investment back into the community of Yackandandah and surrounds (2019 - \$28,228, 2018 - \$35,831).

A review into service station activities and layout in 2018/2019 led to a targeted effort to better manage inventory levels, an upgrade in IT software and the beginning of site improvements at the service station. Improvements at the service station are planned to continue into 2019/2020 with an upgrade to fuel bowsers and improvements to the main building.

Phillip Newman stood aside as Chairperson during the 2018/2019 financial year, with Ian Fitzpatrick subsequently appointed into this role. Phillip will continue to play an important role within YCDCo as he continues to act in the role of a director.

The Board remains committed to retaining 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:

Ian Fitzpatrick (Chairperson – appointed February 2019)

Age: 57

Occupation: Engineer

Director since: September 2018

Phillip Andrew Newman (Chairperson – resigned February 2019)

Age: 58

Occupation: Librarian

Director since: January 2010

Barry John Maginness

Age: 58

Occupation: Project Manager

Director since: June 2014

Michael Bell

Age: 45

Occupation: Accountant

Director since: January 2016

Myron James Bullivant

Age: 51

Occupation: Business Development Manager

Director since: July 2013

Max Horvath

Age: 54

Occupation: Consultant

Director since: December 2017

Andrew Grieg

Age: 51

Occupation: Research & Development Manager

Director since: July 2014

## Company secretary

Michael Bell was appointed to the position of Company Secretary in April 2017 and continues to act in this position.

## Directors' Meetings

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

	<i>Meetings held *</i>	<i>Meetings attended</i>
Phil Newman	10	10
Ian Fitzpatrick	8	8
Michael Bell	10	8
Andrew Grieg	10	7
Myron Bullivant	10	1
Barry Maginness	10	10
Max Horvath	10	10

\* 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 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 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 2019, 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.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 25th day of October 2019.

  
.....  
Director, Ian Fitzpatrick

  
.....  
Director, Michael Bell



**Crowe 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 2019 there have been:

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

**CROWE ALBURY**

**BRADLEY D BOHUN**  
Partner

**25th October 2019**  
Albury

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

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

## Statement of profit or loss and other comprehensive income

### For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue from fuel sales		3,702,166	3,452,366
Revenue from other sales		837,905	809,696
Interest received		1,351	963
Other revenue		(64)	-
		<b>4,541,358</b>	<b>4,263,025</b>
Cost of goods sold	3(a)	3,983,630	3,728,445
Audit and tax fees		20,534	18,000
Advertising and promotion		2,828	2,194
Depreciation and amortisation		22,113	24,391
Electricity		4,572	5,162
Employee expenses	3(b)	268,484	264,221
Government and bank charges		3,765	1,656
Insurance		5,113	4,714
Printing and stationery		17,910	19,786
Telephone		4,631	4,141
Rent		9,127	9,186
Other expenses		6,054	1,878
Community Contribution	15	28,228	35,831
		<b>4,376,989</b>	<b>4,119,605</b>
Profit before tax		164,369	143,420
Income tax expense	17(a)	48,774	39,611
<b>Profit for the period after tax</b>		<b>115,595</b>	<b>103,809</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>115,595</b>	<b>103,809</b>

## Statement of financial position As at 30 June 2019

	Note	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	503,096	416,823
Trade and other receivables	4	157,681	131,369
Inventories	5	167,931	217,275
Other assets	6	1,000	1,000
<b>TOTAL CURRENT ASSETS</b>		<b>829,708</b>	<b>766,467</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	338,087	352,932
Deferred tax assets	17(b)	6,484	4,638
<b>TOTAL NON-CURRENT ASSETS</b>		<b>344,571</b>	<b>357,570</b>
<b>TOTAL ASSETS</b>		<b>1,174,279</b>	<b>1,124,037</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	156,574	198,742
Income tax payable/(refundable)		25,835	13,732
Employee benefits	9	23,971	16,959
<b>TOTAL CURRENT LIABILITIES</b>		<b>206,380</b>	<b>229,433</b>
<b>TOTAL LIABILITIES</b>		<b>206,380</b>	<b>229,433</b>
<b>NET ASSETS</b>		<b>967,899</b>	<b>894,604</b>
<b>EQUITY</b>			
Issued capital	10	423,100	423,100
Retained earnings		544,799	471,504
<b>TOTAL EQUITY</b>		<b>967,899</b>	<b>894,604</b>



## Statement of changes in equity For the year ended 30 June 2019

	Note	Issued capital \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2018</b>		<u>423,100</u>	<u>471,504</u>	<u>894,604</u>
<b>Total comprehensive income for the period</b>				
Profit or loss		-	115,595	115,595
Dividend Paid		-	(42,300)	(42,300)
<b>Balance as at 30 June 2019</b>		<u>423,100</u>	<u>544,799</u>	<u>967,899</u>
		<b>Share capital \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2017</b>		<u>423,100</u>	<u>367,695</u>	<u>790,795</u>
<b>Total comprehensive income for the period</b>				
Profit or loss		-	103,809	103,809
Dividend Paid		-	-	-
<b>Balance as at 30 June 2018</b>		<u>423,100</u>	<u>471,504</u>	<u>894,604</u>

## Statement of cash flows For the year ended 30 June 2019

<b>Cash flows from operating activities</b>		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Cash receipts in the course of operations		5,008,860	4,663,989
Interest received		1,351	963
Cash payments in the course of operations		(4,802,626)	(4,524,257)
Community commitment sponsorship payments		(28,228)	(17,841)
<b>Net cash provided by/(used in) operating activities</b>	<b>11</b>	<b>179,357</b>	<b>122,854</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(7,268)	(3,186)
<b>Net cash used in investing activities</b>		<b>(7,268)</b>	<b>(3,186)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(42,300)	-
<b>Net cash used in financing activities</b>		<b>(42,300)</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>129,789</b>	<b>119,668</b>
<b>Cash at the beginning of the financial year</b>		<b>416,823</b>	<b>297,155</b>
<b>Cash at the end of the financial year</b>		<b>546,612</b>	<b>416,823</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 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 25 October 2019.

#### (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 2019

### 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

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

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 1. Significant accounting policies (cont'd)

#### (f) Trade or other receivables (continued)

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

#### (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) 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(j)).

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 2019

### 1. Significant accounting policies (cont'd)

#### (i) 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.

#### (j) 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.

#### (k) 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.

#### (l) Superannuation plan

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

#### (m) 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 2019

### 1. Significant accounting policies (cont'd)

#### (n) 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.

#### (o) New or amended accounting standards and interpretations adopted

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

##### *Impact of adoption*

AASB 9 *Financial Instruments* was adopted using the modified retrospective approach as at 1 July 2018 and as such, comparatives have not been restated. 2018 comparatives remain under the former AASB 139 *Financial Instruments*.

There was no impact on opening retained earnings as at 1 July 2018 as a result of adopting this new standard.

AASB 15 *Revenue from Contracts with Customers* was adopted using the modified retrospective approach as at 1 July 2018 and as such, comparatives have not been restated. 2018 comparatives remain under the former AASB 118 *Revenue*.

The adoption of AASB 15 did not impact the timing or amount of revenue received and as such there was no impact on opening retained earnings as at 1 July 2018 as a result of adopting this new standard.

## Notes to and forming part of the financial statements For the year ended 30 June 2019

**(p) New accounting standards interpretations not yet adopted**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The Company has decided not to early adopt any of the new and amended pronouncements.

The Company's assessment of the new and amended pronouncements that are relevant to the entity but applicable in future reporting periods are set out below:

Standard	Nature of change in accounting policy	Application start date	Impact on Financial Statements
AASB 16 <i>Leases</i>	<p>AASB 16 will result in the operating leases of the Company being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments.</p> <p>A corresponding right to use assets will be recognised, which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges.</p>	Annual reporting periods beginning on or after 1 January 2019, i.e. Company's financial statements for the year ended 30 June 2020.	The Company is still assessing the full impact of this standard.



## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 2. Cash and cash equivalents

	2019 \$	2018 \$
Cash on hand	1,265	1,265
Cash at bank	508,073	420,726
Undeposited funds	(6,242)	(5,168)
	<u><b>503,096</b></u>	<u><b>416,823</b></u>

### 3. Expenses

#### (a) Cost of goods sold

Fuel	3,376,286	3,154,246
Hardware	177,736	169,168
Stock feed and rural supplies	164,063	140,990
Other	265,545	264,041
	<u><b>3,983,630</b></u>	<u><b>3,728,445</b></u>

#### (b) Employee expenses

Salaries and wages	244,767	241,576
Superannuation	20,359	19,381
Workers compensation	3,358	3,264
	<u><b>268,484</b></u>	<u><b>264,221</b></u>

### 4. Trade and other receivables

Trade debtors	121,884	91,870
GST refundable	31,265	34,967
Prepayments	4,532	4,532
	<u><b>157,681</b></u>	<u><b>131,369</b></u>

Trade debtors are shown net of impairment losses amounting to Nil (2018: Nil).

The loss allowance for 2019 is calculated and disclosed under the expected credit loss regime as per Note 1(o). The comparative amounts and disclosures for 2018 represents incurred impairment provision under the previous incurred measurement basis of the previous accounting standard.

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 5. Inventories

	2019 \$	2018 \$
Fuel	50,833	89,206
Motor accessories and Oil	10,779	11,275
Rural supplies and hardware	94,804	106,295
Sundry	11,515	10,499
	<u>167,931</u>	<u>217,275</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(m) provides additional information.

### 7. Property, plant and equipment

<b>Land</b>		
<i>Land at cost</i>	<u>107,488</u>	<u>107,488</u>
	<u><b>107,488</b></u>	<u><b>107,488</b></u>
<b>Building improvements</b>		
<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(70,220)	(67,862)
	<u>33,479</u>	<u>35,837</u>
<i>Shop and forecourt at cost</i>	323,709	320,360
<i>Accumulated depreciation</i>	(160,759)	(149,787)
	<u>162,950</u>	<u>170,573</u>
<b>Plant and Equipment</b>		
<i>Fuel delivery equipment at cost</i>	116,526	116,526
<i>Accumulated depreciation</i>	(108,818)	(107,136)
	<u>7,708</u>	<u>9,389</u>
<i>Retail sales equipment at cost</i>	55,175	51,256
<i>Accumulated depreciation</i>	(33,269)	(28,134)
	<u>21,906</u>	<u>23,122</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

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

	2019 \$	2018 \$
<i>Office equipment at cost</i>	4,199	4,198
<i>Accumulated depreciation</i>	(4,122)	(3,637)
	<u>77</u>	<u>561</u>
<i>Motor vehicles at cost</i>	11,858	11,858
<i>Accumulated depreciation</i>	(7,379)	(5,896)
	<u>4,479</u>	<u>5,962</u>
<b>Total Property, plant and equipment</b>	<u><b>338,087</b></u>	<u><b>352,932</b></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	107,488	107,488
Additions	-	-
Disposals	-	-
<b>Carrying amount at the end of the year</b>	<u><b>107,488</b></u>	<u><b>107,488</b></u>

#### **Fuel Storage Equipment**

Carrying amount at beginning of year	35,837	38,194
Additions	-	-
Disposals	-	-
Depreciation	(2,358)	(2,357)
<b>Carrying amount at end of year</b>	<u><b>33,479</b></u>	<u><b>35,837</b></u>

#### **Shop and Forecourt**

Carrying amount at beginning of year	170,573	181,745
Additions	3,350	-
Disposals	-	-
Depreciation	(10,973)	(11,172)
<b>Carrying amount at end of year</b>	<u><b>162,950</b></u>	<u><b>170,573</b></u>

#### **Fuel Delivery Equipment**

Carrying amount at beginning of year	9,389	7,860
Additions	-	3,187
Disposals	-	-
Depreciation	(1,681)	(1,658)
<b>Carrying amount at end of year</b>	<u><b>7,708</b></u>	<u><b>9,389</b></u>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

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

	2019 \$	2018 \$
<b><i>Retail Sales Equipment</i></b>		
Carrying amount at beginning of year	23,122	30,307
Additions	3,919	-
Disposals	-	-
Depreciation	(5,135)	(7,185)
<b>Carrying amount at end of year</b>	<b><u>21,906</u></b>	<b><u>23,122</u></b>
<b><i>Office Equipment</i></b>		
Carrying amount at beginning of year	562	1,099
Additions	-	-
Disposals	-	-
Depreciation	(485)	(538)
<b>Carrying amount at end of year</b>	<b><u>77</u></b>	<b><u>561</u></b>
<b><i>Motor Vehicles</i></b>		
Carrying amount at beginning of year	5,961	7,444
Additions	-	-
Disposals	-	-
Depreciation	(1,482)	(1,482)
<b>Carrying amount at end of year</b>	<b><u>4,479</u></b>	<b><u>5,962</u></b>
<b>Total Property, plant and equipment</b>	<b><u>338,087</u></b>	<b><u>352,932</u></b>

### 8. Trade and other payables

Accruals	10,825	9,530
Trade creditors	107,733	145,503
PAYG Withholding payable	2,985	7,285
GST payable	35,031	36,424
	<b><u>156,574</u></b>	<b><u>198,742</u></b>

Unclaimed dividends for the amount of \$5,109 (2018: \$4,313) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

### 9. Employee Benefits

<b>Current</b>		
Annual leave	13,623	9,627
Accrued salaries and wages	10,348	7,332
	<b><u>23,971</u></b>	<b><u>16,959</u></b>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 10. Equity

	Note	2019 \$	2018 \$
<b>Issued capital</b>			
4,231 (2018: 4,231) ordinary shares, fully paid		<u>423,100</u>	<u>423,100</u>

### 11. 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	115,595	103,809
<b>Add/(less) non-cash items:</b>		
Depreciation/Amortisation	22,113	24,391
Loss/(Gain) on sale of property, plant and equipment	-	-
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<u>137,708</u>	<u>128,200</u>
<b>Change in assets and liabilities during the financial year</b>		
(Increase)/Decrease in inventories	49,344	(31)
(Increase)/Decrease in receivables	17,204	(25,820)
(Increase)/Decrease in deferred tax assets	(1,846)	22,618
Increase/(Decrease) in payables	(42,168)	(1,544)
Increase/(Decrease) in employee benefits	7,012	(7,738)
Increase/(Decrease) in tax payable	12,103	7,169
	<u>179,357</u>	<u>122,854</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 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 Horvath
M Bell	M Bullivant
A Grieg	B Maginness
I Fitzpatrick (appointed September 2018)	

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:

	2019 \$	2018 \$
Short-term employee benefits	-	-
Other long-term benefits	-	-
	<u>-</u>	<u>-</u>

All 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:

	2019 \$	2018 \$
<b>Current receivables</b>		
Trade debtors	<u>1,031</u>	<u>883</u>
<b>Current payables</b>		
Trade creditors	<u>-</u>	<u>100</u>

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	31	30
Options over ordinary shares	-	-

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 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.

	2019 \$	2018 \$
<i>Auditors of the Company</i>		
2019 Audit fees*	15,980	15,215
Other services- taxation	3,025	2,495
	<u>19,005</u>	<u>17,710</u>

\*includes financial statement assistance

### 15. Community Contribution

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

Yackandandah Golf Club	-	2,000
The Pest & Vermin Control Centre	-	2,341
Yackandandah Primary School	2,497	10,000
Yackandandah Chamber of Commerce	-	1,500
Totally Renewable Yackandandah	-	2,000
Yackandandah Historical Society	-	5,000
1 <sup>st</sup> Yackandandah Scout Group	-	2,500
Foodworks	-	1,000
Osbornes Flat Community Centre	-	7,000
Kiewa Catchment Landcare	-	2,490
Yackandandah Football & Netball Club	6,831	-
Yackandandah Health	11,023	-
Bruarong Community Centre	799	-
Indigo Shire Council	5,500	-
Yackandandah Community Centre	1,578	-
	<u>28,228</u>	<u>35,831</u>

### 16. Dividends

Dividends of \$42,300 were paid during the 2019 year (2018 year: Nil).

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 17. Taxation

#### (a) Income tax expense

	2019 \$	2018 \$
Prima facie income tax expense calculated at 27.5% (2018: 27.5%) on the profit/(loss)	45,201	39,611
Increase in income tax expense due to:		
Other	-	-
Restatement of DTA/DTL due to changes in the Company tax rate	-	-
Income tax under/(over) provided in prior year	3,573	-
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>48,774</u>	<u>39,611</u>
Income tax expense/(benefit) attributable to profit/(loss) is made up of:		
Current tax expense	47,048	41,609
Deferred tax expense/(benefit)	(1,846)	(1,543)
Under/(over) provided in prior years	3,572	(455)
	<u>48,774</u>	<u>39,611</u>

#### (b) Deferred tax assets

##### **Future income tax benefit**

Future income tax benefit comprises the estimated future benefit at the applicable rate of 27.5% (2018: 27.5%) on the following items:

Provisions and accrued employee benefits not currently deductible	6,484	4,638
	<u>6,484</u>	<u>4,638</u>

### 18. Contingent liabilities and contingent assets

Nil.



## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 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 2.55 percent (2018: 2.64 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.

#### **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:

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 19. Financial risk management (cont'd)

- Overdraft facility of \$75,000 with an interest rate of 8.60% (2018: 8.60%).

#### 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 2019 was:

	Carrying amount	
	2019	2018
	\$	\$
Loans and receivables	121,884	91,870
Cash and cash equivalents	503,096	416,823
	<u>624,980</u>	<u>508,693</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### 20. Financial instruments (cont'd)

#### Impairment losses

At reporting date the Company had receivables past due of \$20,028 (2018: \$10,221). The ageing of the Company's receivables at reporting date was:

	Gross 2019 \$	Accumulated Impairment loss 2019 \$	Gross 2018 \$	Accumulated Impairment loss 2018 \$
Not past due	101,856	-	81,649	-
Past due 0-30 days	19,072	-	9,925	-
Past due 31-60 days	760	-	271	-
More than 60 days	196	-	25	-
	<b>121,884</b>	<b>-</b>	<b>91,870</b>	<b>-</b>

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 2019

	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	156,574	156,574	156,574	-	-	-	-
	<b>156,574</b>	<b>156,574</b>	<b>156,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 30 June 2018

	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	198,742	198,742	198,742	-	-	-	-
	<b>198,742</b>	<b>198,742</b>	<b>198,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Currency risk

The Company was not exposed to any foreign currency risk at reporting date (2018: Nil).

## Notes to and forming part of the financial statements For the year ended 30 June 2019

### Interest rate risk

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

	Carrying amount	
	2019	2018
	\$	\$
<b>Variable instruments</b>		
Financial assets	508,073	420,726
Financial liabilities	-	-
	<u>508,073</u>	<u>420,726</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.

## 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.

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## 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 2019, 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.

Dated at Yackandandah this 25th day of October 2019.

Signed in accordance with a resolution of the directors.



Director, Ian Fitzpatrick



Director, Michael Bell

## Independent Auditor's Report

### To the Members of Yackandandah Community Development Company Limited

#### 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 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards 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.

#### Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

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



**CROWE ALBURY**



**BRADLEY D BOHUN**  
Partner

**25th October 2019**  
Albury

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

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