



# ANNUAL REPORT

of

**Yackandandah Community Development  
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2021

## 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 2021 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 Coronavirus (COVID-19) outbreak, which has become a continuing global pandemic has been presenting strategic, operational and commercial uncertainties for the Company. The situation is changing rapidly and there are increased uncertainties around the duration, scale and impact of COVID-19.

The Board of Directors however are pleased to report a consistent result for the 2020/21 financial year. Revenue from fuel sales has returned to positive growth of 2% over the preceding year, and revenue from other sales has increased 12% which is reflective of the restrictions imposed by the COVID-19 pandemic. The Board acknowledge the dedication and hard work of all the YCDCo staff.

### Financial Result

The Company reports an operating profit before tax of \$262,639 for the year ended 30 June 2021. This compares to an operating profit before tax of \$243,884 for the year ended 30 June 2020.

### Financial Reports

Detailed audited financial statements for the year ended 30 June 2021 are included in this Annual Report.

### Dividends

Dividends were declared and paid during the reporting period \$63,465 (2020: \$42,300).

### 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 2021)	\$1,239,981
Number of shares on issue (as at 30 June 2021)	4,231
Share Transfer Price (net asset backing per share)	<b>\$293</b>

The Share Transfer Price as reported in last year's Annual Report was \$261.

## Directors' report (continued)

### State of Affairs

YCDCo continues to operate on a commercially sustainable basis, enabling dividends to be distributed to shareholders (2021 - \$63,465, 2020 \$42,300), local employment (salaries and wages 2021 - \$250,762, 2020 - \$240,867), and investment back into community organisations of Yackandandah and surrounds (2021 - \$11,689, 2020 - \$8,118). With a focus of delivering value for money to our shareholders and customers, YCDCo operates on a principle of using local suppliers and tradespeople.

The COVID-19 pandemic was a major influence on the day-to-day trading operations of the company during the financial year, but the diversified nature of the business allowed overall revenue and profitability of the business increase. While travel restrictions had the effect of decreasing fuel sales, non-fuel sales during such periods increased. Like-wise when travel restrictions eased, and fuel sales increased, non-fuel sales were not as buoyant. The COVID-19 pandemic continues to present strategic, operational and commercial uncertainties for the Company.

Improvements to the Service Station continued during the 2020/21 financial year, with the instalment of new fuel bowsers that offer Unleaded Petrol, Premium Unleaded Petrol and Diesel fuel at each bowser under the Service Station canopy, and a high-flow and low-fuel diesel bowser at the rear. Works have also begun to remodel the interior of the main storefront to maximise available space and product visibility.

Ian Nightingale was formally appointed to the YCDCo Board in 2020/2021, as the Board continues to modernise and look for efficiencies in the service station layout to increase revenue and monitor the changing future needs of the Yackandandah community.

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

### Events subsequent to Balance Date

The Company's key fuel supplier and delivery arrangements were changed at the beginning of the 2021/2022 financial year following an extensive review process. The transition of fuel supply and delivery arrangements to TASC0 Petroleum will increase the profitability of the business and enable regular fuel deliveries outside of trading hours increasing safety at the site. The Board acknowledges the services of NESCI Transport who has transported fuel for YCDCo since relocation to the current site.

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

### Likely Developments

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

### Derivatives and other financial instruments

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

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

## Directors' report (continued)

### Directors

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

Ian Fitzpatrick (Chairperson) Age: 59 Occupation: Engineer Director since: September 2018	Phillip Andrew Newman Age: 60 Occupation: Librarian Director since: January 2010
Barry John Maginness Age: 60 Occupation: Project Manager Director since: June 2014	Michael Bell Age: 47 Occupation: Accountant Director since: January 2016
Alison Pockley Age: 66 Occupation: Administrator Director since: July 2019	Max Horvath Age: 56 Occupation: Consultant Director since: December 2017
Rex Little Age: 67 Occupation: Company Director Director since: February 2020	Ian Nightingale Age: 67 Occupation: Retired Director since: 24 September 2020

### Company secretary

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

### Directors' Meetings

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

	<i>Meetings held *</i>	<i>Meetings attended</i>
Phil Newman	11	6
Ian Fitzpatrick	11	11
Michael Bell	11	7
Barry Maginness	11	10
Max Horvath	11	8
Alison Pockley	11	11
Rex Little	11	10
Ian Nightingale	9	8

\* 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

## **Directors' report (continued)**

or with a firm of which a director is a member, or with an entity in which a director has a substantial interest, except for those detailed in Note 13 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 2021, no insurance in respect of officers had been paid out, nor had any indemnity arrangements been entered into with auditors.

### **Auditor's Independence Declaration**

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

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 28<sup>th</sup> day of October 2021.



.....  
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 2021 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

28<sup>th</sup> October 2021  
Albury

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is 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 Albury, an affiliate of Findex (Aust) Pty Ltd.*

## Statement of profit or loss and other comprehensive income

### For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	4,507,619	4,338,329
		<b>4,507,619</b>	<b>4,338,329</b>
Cost of goods sold	3(a)	3,847,849	3,714,799
Audit and tax fees		22,472	20,975
Advertising and promotion		1,845	2,355
Depreciation and amortisation		24,021	21,617
Electricity		4,766	4,292
Employee expenses	3(b)	274,330	263,974
Government and bank charges		4,363	2,439
Insurance		5,544	5,394
Printing and stationery		27,449	22,252
Telephone		4,673	4,565
Site occupancy expenses		4,544	4,587
Lease expenses	3(c)	5,048	4,622
Other expenses		6,390	14,456
Community Contribution	16	11,686	8,118
		<b>4,244,980</b>	<b>4,094,445</b>
Profit before tax		262,639	243,884
Income tax expense	18(a)	62,164	66,512
<b>Profit for the period after tax</b>		<b>200,475</b>	<b>177,372</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>200,475</b>	<b>177,372</b>

## Statement of financial position As at 30 June 2021

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	839,721	731,525
Trade and other receivables	5	148,736	126,749
Inventories	6	216,341	182,122
Other assets	7	1,000	1,000
<b>TOTAL CURRENT ASSETS</b>		<b>1,205,798</b>	<b>1,041,396</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	442,931	381,948
Deferred tax assets/(liabilities)	18(b)	(16,265)	8,781
<b>TOTAL NON-CURRENT ASSETS</b>		<b>426,666</b>	<b>390,729</b>
<b>TOTAL ASSETS</b>		<b>1,632,464</b>	<b>1,432,125</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	363,576	276,954
Income tax payable/(receivable)		(1,266)	29,629
Employee benefits	10	30,173	22,571
<b>TOTAL CURRENT LIABILITIES</b>		<b>392,483</b>	<b>329,154</b>
<b>TOTAL LIABILITIES</b>		<b>392,483</b>	<b>329,154</b>
<b>NET ASSETS</b>		<b>1,239,981</b>	<b>1,102,971</b>
<b>EQUITY</b>			
Issued capital	11	423,100	423,100
Retained earnings		816,881	679,871
<b>TOTAL EQUITY</b>		<b>1,239,981</b>	<b>1,102,971</b>



## Statement of changes in equity For the year ended 30 June 2021

	Note	Issued capital \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2020</b>		<u>423,100</u>	<u>679,871</u>	<u>1,102,971</u>
<b>Total comprehensive income for the period</b>				
Profit or loss		-	200,475	200,475
Dividend Paid		-	(63,465)	(63,465)
<b>Balance as at 30 June 2021</b>		<u>423,100</u>	<u>816,881</u>	<u>1,239,981</u>
		Share capital \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2019</b>		<u>423,100</u>	<u>544,799</u>	<u>967,899</u>
<b>Total comprehensive income for the period</b>				
Profit or loss		-	177,372	177,372
Dividend Paid		-	(42,300)	(42,300)
<b>Balance as at 30 June 2020</b>		<u>423,100</u>	<u>679,871</u>	<u>1,102,971</u>

## Statement of cash flows For the year ended 30 June 2021

		2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		4,930,671	4,786,695
Interest received		249	705
Cash payments in the course of operations		(4,662,569)	(4,443,068)
Community commitment sponsorship payments		(11,689)	(8,118)
<b>Net cash provided by operating activities</b>	12	<u>256,662</u>	<u>336,214</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(85,001)	(65,475)
<b>Net cash used in investing activities</b>		<u>(85,001)</u>	<u>(65,475)</u>
<b>Cash flows from financing activities</b>			
Dividend paid		(63,465)	(42,300)
<b>Net cash used in financing activities</b>		<u>(63,465)</u>	<u>(42,300)</u>
<b>Net increase/(decrease) in cash held</b>		108,196	228,429
<b>Cash at the beginning of the financial year</b>		731,525	503,096
<b>Cash at the end of the financial year</b>		<u>839,721</u>	<u>731,525</u>

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## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 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 28 October 2021.

#### (a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit orientated entities.

#### (b) Basis of preparation

The financial report is presented in Australian dollars.

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

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

#### *Going concern*

The spread of the global pandemic, coronavirus (COVID-19) since January 2020 has resulted in the Australian Government introducing a range of measures aimed at mitigating the spread of the virus within the community. COVID-19 presents some strategic, operational and commercial uncertainties for the Company. These measures and the economic uncertainty surrounding them have continued post 30 June 2021.

The ramifications of COVID-19 have not had a material impact on the Company's ability to continue as a going concern. However, the Company will continue to monitor the effects of COVID-19 and take appropriate business decisions as required.

#### (c) Use of estimates and judgements

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

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

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## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

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

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

- Note 5 – Trade and other receivables – expected credit loss assessment
- Note 8 – Property, Plant and Equipment – estimation of useful life

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products offered, customers, staffing and geographic regions in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### (d) Income tax

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

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

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

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

#### (e) Revenue recognition

#### *Revenue from contracts with customers*

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

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## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### (e) Revenue recognition (cont'd)

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

##### *Sale of goods*

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

##### *Interest*

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

##### *Other revenue*

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

##### *Government grants*

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

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

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

#### (f) 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.

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## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### (g) Trade or other receivables

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

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

#### (h) Inventories

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

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

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

#### (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.

## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### (i) Property, plant and equipment (cont'd)

##### *(iii) Depreciation/Amortisation*

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

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

All depreciation rates are applied using a straight line basis.

#### (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 of non-financial assets

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

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

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

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## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### (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.

#### (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) Leases

##### *Company as a lessee*

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

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

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

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

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



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## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### (p) Leases (cont'd)

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

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

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

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

#### *Company as a lessor*

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

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

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

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 2. Revenue

	2021 \$	2020 \$
<b>Revenue from contracts with customers</b>		
Revenue from fuel sales	3,470,880	3,406,079
Revenue from other sales	1,014,520	902,979
	<u>4,485,400</u>	<u>4,309,058</u>
<b>Other revenue</b>		
Interest received	249	705
Other revenue	794	2,274
Government grants	21,176	26,292
	<u>22,219</u>	<u>29,271</u>
	<u>4,507,619</u>	<u>4,338,329</u>

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

### 3. Expenses

<b>(a) Cost of goods sold</b>		
Fuel	3,112,482	3,074,110
Hardware	283,986	218,360
Stock feed and rural supplies	184,122	162,737
Other	267,259	259,592
	<u>3,847,849</u>	<u>3,714,799</u>
<b>(b) Employee expenses</b>		
Salaries and wages	250,762	240,867
Superannuation	19,903	19,639
Workers compensation	3,665	3,468
	<u>274,330</u>	<u>263,974</u>
<b>(c) Leases expenses</b>		
Short-term lease expense	5,048	4,622
Low-value lease expense	-	-
	<u>5,048</u>	<u>4,622</u>

#### ***Nature of the leasing activities***

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

The Company does not face a significant financial risk with regards to its leasing activities. As at 30 June 2021, the Company has a \$391 commitment for a short-term lease.

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 4. Cash and cash equivalents

	2021 \$	2020 \$
Cash on hand	1,265	1,265
Cash at bank	838,456	730,260
	<u><b>839,721</b></u>	<u><b>731,525</b></u>

### 5. Trade and other receivables

Trade debtors	108,651	86,768
GST refundable	35,534	35,449
Prepayments	4,551	4,532
	<u><b>148,736</b></u>	<u><b>126,749</b></u>

Trade debtors are shown net of impairment losses amounting to Nil (2020: Nil).

The loss allowance for 2021 is calculated and disclosed under the expected credit loss regime as per Note 1(g).

### 6. Inventories

	2021 \$	2020 \$
Fuel	90,339	62,019
Motor accessories and Oil	10,520	10,227
Rural supplies and hardware	105,517	98,104
Sundry	9,965	11,772
	<u><b>216,341</b></u>	<u><b>182,122</b></u>

### 7. Other Assets

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

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

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 8. Property, plant and equipment

	2021 \$	2020 \$
<b>Land</b>		
<i>Land at cost</i>	107,488	107,488
	<b>107,488</b>	<b>107,488</b>
<b>Building improvements</b>		
<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(74,940)	(72,584)
	<b>28,759</b>	<b>31,115</b>
<i>Shop and forecourt at cost</i>	374,895	346,590
<i>Accumulated depreciation</i>	(185,294)	(172,910)
	<b>189,601</b>	<b>173,680</b>
<b>Plant and Equipment</b>		
<i>Fuel delivery equipment at cost</i>	191,128	156,126
<i>Accumulated depreciation</i>	(114,221)	(110,503)
	<b>76,907</b>	<b>45,623</b>
<i>Retail sales equipment at cost</i>	77,962	58,170
<i>Accumulated depreciation</i>	(41,202)	(37,121)
	<b>36,760</b>	<b>21,049</b>
<i>Office equipment at cost</i>	6,103	4,199
<i>Accumulated depreciation</i>	(4,198)	(4,199)
	<b>1,905</b>	<b>-</b>
<i>Motor vehicles at cost</i>	11,858	11,858
<i>Accumulated depreciation</i>	(10,347)	(8,865)
	<b>1,511</b>	<b>2,993</b>
<b>Total property, plant and equipment</b>	<b>442,931</b>	<b>381,948</b>

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

## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

#### Reconciliations

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

	2021 \$	2020 \$
<b>Land</b>		
Carrying amount at beginning of year	107,488	107,488
Additions	-	-
Disposals	-	-
<b>Carrying amount at the end of the year</b>	<b><u>107,488</u></b>	<b><u>107,488</u></b>
<b>Fuel Storage Equipment</b>		
Carrying amount at beginning of year	31,115	33,479
Additions	-	-
Disposals	-	-
Depreciation	(2,356)	(2,364)
<b>Carrying amount at end of year</b>	<b><u>28,759</u></b>	<b><u>31,115</u></b>
<b>Shop and Forecourt</b>		
Carrying amount at beginning of year	173,680	162,950
Additions	28,305	22,882
Disposals	-	-
Depreciation	(12,384)	(12,152)
<b>Carrying amount at end of year</b>	<b><u>189,601</u></b>	<b><u>173,680</u></b>
<b>Fuel Delivery Equipment</b>		
Carrying amount at beginning of year	45,623	7,708
Additions	35,002	39,600
Disposals	-	-
Depreciation	(3,718)	(1,685)
<b>Carrying amount at end of year</b>	<b><u>76,907</u></b>	<b><u>45,623</u></b>

## Notes to and forming part of the financial statements For the year ended 30 June 2021

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

	2021 \$	2020 \$
<b>Retail Sales Equipment</b>		
Carrying amount at beginning of year	21,049	21,906
Additions	19,791	2,996
Disposals	-	-
Depreciation	(4,080)	(3,853)
<b>Carrying amount at end of year</b>	<b><u>36,760</u></b>	<b><u>21,049</u></b>
<b>Office Equipment</b>		
Carrying amount at beginning of year	-	77
Additions	1,905	-
Disposals	-	-
Depreciation	-	(77)
<b>Carrying amount at end of year</b>	<b><u>1,905</u></b>	<b><u>-</u></b>
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	2,993	4,479
Additions	-	-
Disposals	-	-
Depreciation	(1,482)	(1,486)
<b>Carrying amount at end of year</b>	<b><u>1,511</u></b>	<b><u>2,993</u></b>
<b>Total property, plant and equipment</b>	<b><u>442,931</u></b>	<b><u>381,948</u></b>

### 9. Trade and other payables

Accruals	10,431	17,835
Trade creditors	313,107	222,705
PAYG Withholding payable	2,307	2,499
GST payable	37,731	33,915
	<b><u>363,576</u></b>	<b><u>276,954</u></b>

Unclaimed dividends for the amount of \$12,212 (2020: \$7,759) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

### 10. Employee Benefits

<b>Current</b>		
Annual leave	19,825	12,223
Accrued salaries and wages	10,348	10,348
	<b><u>30,173</u></b>	<b><u>22,571</u></b>

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 11. Equity

	2021 \$	2020 \$
<b>Issued capital</b>		
4,231 (2020: 4,231) ordinary shares, fully paid	<u>423,100</u>	<u>423,100</u>

### 12. Notes to the statement of cash flows

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

Operating profit/(loss) after income tax	200,475	177,372
<b>Add/(less) non-cash items:</b>		
Depreciation/Amortisation	24,021	21,617
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<u>224,496</u>	<u>198,989</u>
<b>Change in assets and liabilities during the financial year</b>		
(Increase)/Decrease in inventories	(34,222)	(14,194)
(Increase)/Decrease in receivables	(21,987)	30,932
(Increase)/Decrease in deferred tax assets	25,046	(2,297)
Increase/(Decrease) in payables	86,622	120,380
Increase/(Decrease) in employee benefits	7,602	(1,400)
Increase/(Decrease) in tax payable	(30,895)	3,794
	<u>256,662</u>	<u>336,204</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 13. 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	B Maginness
M Bell	A Pockley
M Horvath	R Little
I Fitzpatrick	I Nightingale

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:

	2021 \$	2020 \$
Short-term employee benefits	7,450	6,750
Other long-term benefits	-	-
	<u>7,450</u>	<u>6,750</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:

	2021 \$	2020 \$
<b>Current receivables</b>		
Trade debtors	<u>1,018</u>	<u>553</u>
<b>Current payables</b>		
Trade creditors	<u>-</u>	<u>-</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	43
Options over ordinary shares	-



## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 14. 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.

### 15. Auditor's Remuneration

The following services were provided to the Company by Crowe.

	2021 \$	2020 \$
<i>Auditors of the Company</i>		
2021 Audit fees*	17,320	16,500
Other services- taxation	3,354	2,975
	<u>20,674</u>	<u>19,475</u>

\*includes financial statement assistance

### 16. Community Contribution

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

	2021 \$	2020 \$
Yackandandah Football & Netball Club	440	-
Yackandandah Health	-	1,818
Yackandandah Bowling Club	-	2,500
Kangaloola Wildlife Shelter	-	2,000
Yackandandah Night Netball Association	2,000	-
Yackatoon Retirement Village	2,086	-
Bruarong Community Centre Inc.	7,160	-
Yackandandah Football Club (Soccer)	-	1,800
	<u>11,686</u>	<u>8,118</u>

### 17. Dividends

Dividends of \$63,465 were paid during the 2021 year (2020 year: \$42,300).

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 18. Taxation

#### (a) Income tax expense

	2020 \$	2019 \$
Prima facie income tax expense calculated at 26% (2020: 27.5%) on the profit	68,285	67,069
Decrease in income tax expense due to: Non assessable income	(5,506)	(4,480)
PP&E differences	(825)	-
Income tax under/(over) provided in prior year	(588)	3,923
Restatement of DTA/DTL due to change in company tax rate	798	-
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>62,164</u>	<u>66,512</u>
Income tax expense/(benefit) attributable to profit/(loss) is made up of:		
Current tax expense	38,505	64,886
Deferred tax expense/(benefit)	24,247	(2,297)
Under/(over) provided in prior years	(588)	3,923
	<u>62,164</u>	<u>66,512</u>

#### (b) Deferred tax assets/(liabilities)

##### **Deferred tax assets**

Comprise the estimated future benefit at the applicable  
rate of 26% (2020: 27.5%) on the following items:

Provisions and accrued employee benefits not currently deductible – net of deferred tax liability	(16,265)	8,781
	<u>(16,265)</u>	<u>8,781</u>

### 19. Contingent liabilities and contingent assets

Nil.

## Notes to and forming part of the financial statements For the year ended 30 June 2021

### 20. Financial instruments

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.

	2021 \$	2020 \$
<b>Financial Assets</b>		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	839,721	731,525
Trade and other receivables	148,736	126,749
Total financial assets	<u>988,457</u>	<u>858,274</u>
<b>Financial Liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	363,576	276,954
Total financial liabilities	<u>363,576</u>	<u>276,954</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

The Company's key fuel supplier and delivery arrangements were changed at the beginning of the 2021/2022 financial year following an extensive review process. The transition of fuel supply and delivery arrangements to TASC Petroleum will increase the profitability of the business and enable regular fuel deliveries outside of trading hours increasing safety at the site. The Board acknowledges the services of NESCI Transport who has transported fuel for YCDCo since relocation to the current site.

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

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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 2021, 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 28<sup>th</sup> day of October 2021.

Signed in accordance with a resolution of the directors.



Director, Ian Fitzpatrick



Director, Michael Bell

# Yackandandah Community Development Company Limited

## 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 2021, 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 2021 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2021, 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

28<sup>th</sup> October 2021  
Albury

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