

YCDCO



ANNUAL REPORT

of

**Yackandandah Community Development
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2022



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 2022 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 impact of the Coronavirus (COVID-19) pandemic and the means by which governments have sought to control outbreak, has lessened during the current financial year, but have given rise to new challenges through inflation and supply chain barriers. These rising challenges, in addition to the impact of environmental extremes, continued to present strategic, operational and commercial uncertainties for the Company during the 2021/22 financial year.

The Board of Directors however are pleased to report a consistent result for the 2021/22 financial year. Fuel (litres) sold has increased on the prior year, surpassing an impressive 3 million litres. As the Community emerges from the worst of the COVID-19 pandemic YCDCO has tripled the amount of direct assistance to community organisations with \$34,680 in community contributions. The Board acknowledge the dedication and hard work of all the YCDCo staff.

Financial Result

The Company reports an operating profit before tax of \$173,545 for the year ended 30 June 2022. This compares to an operating profit before tax of \$262,639 for the year ended 30 June 2021.

Financial Reports

Detailed audited financial statements for the year ended 30 June 2022 are included in this Annual Report.

Dividends

Dividends were declared and paid during the reporting period \$63,465 (2021: \$63,465).

Share Value

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

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

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

| | |
|---|--------------------|
| Net Equity (see Balance Sheet as at 30 June 2022) | \$1,295,180 |
| Number of shares on issue (as at 30 June 2022) | 4,231 |
| Share Transfer Price (net asset backing per share) | \$306 |

The Share Transfer Price as reported in last year's Annual Report was \$293.



Directors' report (continued)

State of Affairs

YCDCo continues to operate on a commercially sustainable basis, enabling dividends to be distributed to shareholders (2022 - \$63,465, 2021 \$63,465), local employment (salaries and wages 2022 - \$288,475, 2021 - \$250,762), and investment back into community organisations of Yackandandah and surrounds (2022 - \$34,680, 2021 - \$11,689). With a focus of delivering value for money to our shareholders and customers, YCDCo operates on a principle of using local suppliers and tradespeople.

The impact of the COVID-19 pandemic on day-to-day operations began to reduce as the financial year wore on, as the approach taken by governments to control the virus were less restrictive. However, new challenges were soon to appear as supply-chain obstacles and inflation began to assert influence over the business. A 29% increase in revenue was equally matched by a 33% increase in expenses.

The diversified nature of the business continues to allow growth in revenue and maintain business profitability. A key sales milestone during the current financial year was over 3 million litres of fuel sold. Relatively high inflation, supply chain issues, remnants of the COVID-19 pandemic and the current sustained wet conditions in Spring 2022 all continue to present strategic, operational and commercial uncertainties for the Company.

Investment into the Service Station and the YCDCo brand continued during the 2021/22 financial year, with changes made to the internal layout of the service station and new branding unveiled. The new branding has sought to standardise the design and use of the YCDCo logo that is found in-store, on YCDCo vehicles and publication mastheads, and online.

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

Events subsequent to Balance Date

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

Likely Developments

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

Derivatives and other financial instruments

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

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

Directors' report (continued)

Directors

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

Ian Fitzpatrick (Chairperson)
Age: 60
Occupation: Engineer
Director since: September 2018

Phillip Andrew Newman
Age: 61
Occupation: Librarian
Director since: January 2010

Barry John Maginness
Age: 61
Occupation: Project Manager
Director since: June 2014

Michael Bell
Age: 48
Occupation: Accountant
Director since: January 2016

Alison Pockley
Age: 67
Occupation: Administrator
Director since: July 2019

Max Horvath
Age: 57
Occupation: Consultant
Director since: December 2017

Rex Little
Age: 68
Occupation: Company Director
Director since: February 2020

Ian Nightingale
Age: 68
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 | 9 | 5 |
| Ian Fitzpatrick | 9 | 9 |
| Michael Bell | 9 | 8 |
| Barry Maginness | 9 | 8 |
| Max Horvath | 9 | 4 |
| Alison Pockley | 9 | 9 |
| Rex Little | 9 | 9 |
| Ian Nightingale | 9 | 9 |

* 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 2022, 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 27th day of October 2022.

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

Director, Ian Fitzpatrick

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

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 2022 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

27th October 2022
Albury

Liability limited by a scheme approved under Professional Standards Legislation.

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

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



Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|-------|------------------|------------------|
| Revenue | 2 | 5,814,667 | 4,485,400 |
| Other revenue | 2 | 814 | 21,970 |
| Interest received | | 248 | 249 |
| | | 5,815,729 | 4,507,619 |
| Cost of goods sold | 3(a) | 5,139,387 | 3,847,849 |
| Audit and tax fees | | 33,705 | 22,472 |
| Advertising and promotion | | 5,675 | 1,845 |
| Depreciation and amortisation | | 34,645 | 24,021 |
| Electricity | | 4,412 | 4,766 |
| Employee expenses | 3(b) | 325,347 | 274,330 |
| Government and bank charges | | 4,197 | 4,363 |
| Insurance | | 5,915 | 5,544 |
| Printing and stationery | | 25,595 | 27,449 |
| Telephone | | 4,772 | 4,673 |
| Site occupancy expenses | | 4,648 | 4,544 |
| Lease expenses | 3(c) | 4,878 | 5,048 |
| Other expenses | | 14,328 | 6,390 |
| Community Contribution | 16 | 34,680 | 11,686 |
| | | 5,642,184 | 4,244,980 |
| Profit before tax | | 173,545 | 262,639 |
| Income tax (expense) / benefit | 18(a) | (54,881) | (62,164) |
| Profit for the period after tax | | 118,664 | 200,475 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 118,664 | 200,475 |



Statement of financial position As at 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 734,947 | 839,721 |
| Trade and other receivables | 5 | 172,676 | 148,736 |
| Inventories | 6 | 292,144 | 216,341 |
| Other assets | 7 | 1,000 | 1,000 |
| TOTAL CURRENT ASSETS | | 1,200,767 | 1,205,798 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 436,146 | 442,931 |
| Deferred tax assets/(liabilities) | 18(b) | (17,608) | (16,265) |
| TOTAL NON-CURRENT ASSETS | | 418,538 | 426,666 |
| TOTAL ASSETS | | 1,619,305 | 1,632,464 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 272,835 | 363,576 |
| Income tax payable/(receivable) | | (4,294) | (1,266) |
| Employee benefits | 10 | 36,842 | 30,173 |
| TOTAL CURRENT LIABILITIES | | 305,383 | 392,483 |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 10 | 18,742 | - |
| TOTAL NON-CURRENT LIABILITIES | | 18,742 | - |
| TOTAL LIABILITIES | | 324,125 | 392,483 |
| NET ASSETS | | 1,295,180 | 1,239,981 |
| EQUITY | | | |
| Issued capital | 11 | 423,100 | 423,100 |
| Retained earnings | | 872,080 | 816,881 |
| TOTAL EQUITY | | 1,295,180 | 1,239,981 |

Statement of changes in equity For the year ended 30 June 2022

| | Note | Issued capital \$ | Retained earnings \$ | Total \$ |
|--|------|-------------------------|----------------------------|------------------|
| Balance at 1 July 2021 | | <u>423,100</u> | <u>816,881</u> | <u>1,239,981</u> |
| Total comprehensive income for the period | | | | |
| Profit or loss | | - | 118,664 | 118,664 |
| Dividend Paid | | - | (63,465) | (63,465) |
| Balance as at 30 June 2022 | | <u>423,100</u> | <u>872,080</u> | <u>1,295,180</u> |
| | | Share capital \$ | Retained earnings \$ | Total \$ |
| Balance at 1 July 2020 | | <u>423,100</u> | <u>679,871</u> | <u>1,102,971</u> |
| Total comprehensive income for the period | | | | |
| Profit or loss | | - | 200,475 | 200,475 |
| Dividend Paid | | - | (63,465) | (63,465) |
| Balance as at 30 June 2021 | | <u>423,100</u> | <u>816,881</u> | <u>1,239,981</u> |

Statement of cash flows For the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Cash receipts in the course of operations | | 6,387,504 | 4,930,671 |
| Interest received | | 248 | 249 |
| Cash payments in the course of operations | | (6,366,521) | (4,662,569) |
| Community commitment sponsorship payments | 16 | (34,680) | (11,689) |
| Net cash provided by / (used in) operating activities | 12 | (13,449) | 256,662 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (27,860) | (85,001) |
| Net cash used in investing activities | | (27,860) | (85,001) |
| Cash flows from financing activities | | | |
| Dividend paid | | (63,465) | (63,465) |
| Net cash used in financing activities | | (63,465) | (63,465) |
| Net increase/(decrease) in cash held | | (104,774) | 108,196 |
| Cash at the beginning of the financial year | | 839,721 | 731,525 |
| Cash at the end of the financial year | | 734,947 | 839,721 |

Notes to and forming part of the financial statements For the year ended 30 June 2022

1. Significant accounting policies

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

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

The financial report was authorised for issue by the directors 27 October 2022.

(a) Statement of compliance

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

(b) Basis of preparation

The financial report is presented in Australian dollars.

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

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

Going concern

The ongoing Coronavirus (COVID-19) outbreak is continuing to present strategic, operational and commercial challenges for the Company. The Company continues to take required measures to mitigate the impact of its operations.

The ramifications of COVID-19 have not had a material impact on the Company's ability to continue as a going concern post 30 June 2022. 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.

Notes to and forming part of the financial statements For the year ended 30 June 2022

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 8 – Property, Plant and Equipment – estimation of useful life
- Note 10 – Employee Benefits

(d) Income tax

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

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

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

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

(e) Revenue recognition

Revenue from contracts with customers

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

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

Notes to and forming part of the financial statements For the year ended 30 June 2022

1. Significant accounting policies (cont'd)

(e) Revenue recognition (cont'd)

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.

(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.

Notes to and forming part of the financial statements For the year ended 30 June 2022

1. Significant accounting policies (cont'd)

(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.

(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.

Notes to and forming part of the financial statements For the year ended 30 June 2022

1. Significant accounting policies (cont'd)

(j) Cash and cash equivalents

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

(k) Impairment 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.

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

Notes to and forming part of the financial statements For the year ended 30 June 2022

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.

Notes to and forming part of the financial statements For the year ended 30 June 2022

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.

(q) New accounting standards adopted

The Company has adopted all of the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, including AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities*.

The adoption of these Accounting Standard and Interpretations did not have any significant impact on the financial performance or position of the Company. AASB 1060 resulted in some minor change to the disclosure required within the Company's financial statements for 2022.

Notes to and forming part of the financial statements For the year ended 30 June 2022

2. Revenue

| | 2022 \$ | 2021 \$ |
|--|-------------------------|-------------------------|
| Revenue from contracts with customers | | |
| Revenue from fuel sales | 4,814,124 | 3,470,880 |
| Revenue from other sales | 1,000,543 | 1,014,520 |
| | <u>5,814,667</u> | <u>4,485,400</u> |
| Other revenue | | |
| Other revenue | 814 | 794 |
| Government grants | - | 21,176 |
| | <u>814</u> | <u>21,970</u> |
| | <u><u>5,815,729</u></u> | <u><u>4,507,619</u></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

| | | |
|-------------------------------|------------------|------------------|
| (a) Cost of goods sold | | |
| Fuel | 4,416,182 | 3,112,482 |
| Hardware | 263,250 | 283,986 |
| Stock feed and rural supplies | 169,702 | 184,122 |
| Other | 290,253 | 267,259 |
| | <u>5,139,387</u> | <u>3,847,849</u> |
| (b) Employee expenses | | |
| Salaries and wages | 288,475 | 250,762 |
| Superannuation | 31,635 | 19,903 |
| Workers compensation | 5,237 | 3,665 |
| | <u>325,347</u> | <u>274,330</u> |
| (c) Leases expenses | | |
| Short-term lease expense | 4,878 | 5,048 |
| Low-value lease expense | - | - |
| | <u>4,878</u> | <u>5,048</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 2022, the Company has a \$566 commitment for a short-term lease.

Notes to and forming part of the financial statements For the year ended 30 June 2022

4. Cash and cash equivalents

| | 2022 \$ | 2021 \$ |
|--------------|-----------------------|-----------------------|
| Cash on hand | 1,265 | 1,265 |
| Cash at bank | 733,682 | 838,456 |
| | <u><u>734,947</u></u> | <u><u>839,721</u></u> |

5. Trade and other receivables

| | | |
|----------------|-----------------------|-----------------------|
| Trade debtors | 128,205 | 108,651 |
| GST refundable | 39,906 | 35,534 |
| Prepayments | 4,565 | 4,551 |
| | <u><u>172,676</u></u> | <u><u>148,736</u></u> |

Trade debtors are shown net of impairment losses amounting to Nil (2021: Nil).

The loss allowance for 2022 is calculated and disclosed under the expected credit loss regime as per Note 1(g).

6. Inventories

| | 2022 \$ | 2021 \$ |
|-----------------------------|-----------------------|-----------------------|
| Fuel | 157,089 | 90,339 |
| Motor accessories and Oil | 10,196 | 10,520 |
| Rural supplies and hardware | 109,706 | 105,517 |
| Sundry | 15,153 | 9,965 |
| | <u><u>292,144</u></u> | <u><u>216,341</u></u> |

7. Other Assets

| | | |
|--|---------------------|---------------------|
| 10 Shares in "YCDCo (Yackity Yak) Pty Ltd" | 1,000 | 1,000 |
| | <u><u>1,000</u></u> | <u><u>1,000</u></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 2022

8. Property, plant and equipment

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Land | | |
| <i>Land at cost*</i> | 107,488 | 107,488 |
| | 107,488 | 107,488 |
| Building improvements | | |
| <i>Fuel storage equipment at cost</i> | 103,699 | 103,699 |
| <i>Accumulated depreciation</i> | (77,298) | (74,940) |
| | 26,401 | 28,759 |
| <i>Shop and forecourt at cost</i> | 385,035 | 374,895 |
| <i>Accumulated depreciation</i> | (199,989) | (185,294) |
| | 185,046 | 189,601 |
| Plant and Equipment | | |
| <i>Fuel delivery equipment at cost</i> | 191,128 | 191,128 |
| <i>Accumulated depreciation</i> | (123,362) | (114,221) |
| | 67,766 | 76,907 |
| <i>Retail sales equipment at cost</i> | 94,731 | 77,962 |
| <i>Accumulated depreciation</i> | (47,648) | (41,202) |
| | 47,083 | 36,760 |
| <i>Office equipment at cost</i> | 7,056 | 6,103 |
| <i>Accumulated depreciation</i> | (4,722) | (4,198) |
| | 2,334 | 1,905 |
| <i>Motor vehicles at cost</i> | 11,858 | 11,858 |
| <i>Accumulated depreciation</i> | (11,830) | (10,347) |
| | 28 | 1,511 |
| Total property, plant and equipment | 436,146 | 442,931 |

* 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 2022

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:

| | 2022 | 2021 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Land | | |
| Carrying amount at beginning of year | 107,488 | 107,488 |
| Additions | - | - |
| Disposals | - | - |
| Carrying amount at the end of the year | <u>107,488</u> | <u>107,488</u> |
| Fuel Storage Equipment | | |
| Carrying amount at beginning of year | 28,759 | 31,115 |
| Additions | - | - |
| Disposals | - | - |
| Depreciation | (2,358) | (2,356) |
| Carrying amount at end of year | <u>26,401</u> | <u>28,759</u> |
| Shop and Forecourt | | |
| Carrying amount at beginning of year | 189,601 | 173,680 |
| Additions | 10,140 | 28,305 |
| Disposals | - | - |
| Depreciation | (14,695) | (12,384) |
| Carrying amount at end of year | <u>185,046</u> | <u>189,601</u> |
| Fuel Delivery Equipment | | |
| Carrying amount at beginning of year | 76,907 | 45,623 |
| Additions | - | 35,002 |
| Disposals | - | - |
| Depreciation | (9,141) | (3,718) |
| Carrying amount at end of year | <u>67,766</u> | <u>76,907</u> |

Notes to and forming part of the financial statements For the year ended 30 June 2022

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

| | 2022 \$ | 2021 \$ |
|--|-----------------------|-----------------------|
| <i>Retail Sales Equipment</i> | | |
| Carrying amount at beginning of year | 36,760 | 21,049 |
| Additions | 16,769 | 19,791 |
| Disposals | - | - |
| Depreciation | (6,446) | (4,080) |
| Carrying amount at end of year | <u>47,083</u> | <u>36,760</u> |
| <i>Office Equipment</i> | | |
| Carrying amount at beginning of year | 1,905 | - |
| Additions | 953 | 1,905 |
| Disposals | - | - |
| Depreciation | (524) | - |
| Carrying amount at end of year | <u>2,334</u> | <u>1,905</u> |
| <i>Motor Vehicles</i> | | |
| Carrying amount at beginning of year | 1,511 | 2,993 |
| Additions | - | - |
| Disposals | - | - |
| Depreciation | (1,483) | (1,482) |
| Carrying amount at end of year | <u>28</u> | <u>1,511</u> |
| Total property, plant and equipment | <u>436,146</u> | <u>442,931</u> |

9. Trade and other payables

| | | |
|--------------------------|-----------------------|-----------------------|
| Accruals | 12,011 | 10,431 |
| Trade creditors | 207,204 | 313,107 |
| PAYG Withholding payable | 3,497 | 2,307 |
| GST payable | 50,123 | 37,731 |
| | <u>272,835</u> | <u>363,576</u> |

Unclaimed dividends for the amount of \$16,367 (2021: \$12,212) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

Notes to and forming part of the financial statements For the year ended 30 June 2022

| 10. Employee Benefits | 2022 \$ | 2021 \$ |
|---|-----------------|----------------|
| Current | | |
| Annual leave | 18,742 | 19,825 |
| Accrued salaries and wages | 10,348 | 10,348 |
| Long service leave | 7,752 | - |
| | <u>36,842</u> | <u>30,173</u> |
| Non-current | | |
| Long service leave | 18,742 | - |
| | <u>18,742</u> | <u>-</u> |
| | | |
| 11. Equity | | |
| Issued capital | | |
| 4,231 (2021: 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 | 118,664 | 200,475 |
| Add/(less) non-cash items: | | |
| Depreciation/Amortisation | 34,645 | 24,021 |
| Net cash provided by operating activities before change in assets and liabilities | <u>153,309</u> | <u>224,496</u> |
| | | |
| Change in assets and liabilities during the financial year | | |
| (Increase)/Decrease in inventories | (75,803) | (34,222) |
| (Increase)/Decrease in receivables | (23,940) | (21,987) |
| (Increase)/Decrease in deferred tax assets | 1,343 | 25,046 |
| Increase/(Decrease) in payables | (90,741) | 86,622 |
| Increase/(Decrease) in employee benefits | 25,411 | 7,602 |
| Increase/(Decrease) in tax payable | (3,028) | (30,895) |
| | <u>(13,449)</u> | <u>256,662</u> |

Notes to and forming part of the financial statements For the year ended 30 June 2022

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:

| | 2022 \$ | 2021 \$ |
|------------------------------|--------------|--------------|
| Short-term employee benefits | 9,615 | 7,450 |
| Other long-term benefits | - | - |
| | <u>9,615</u> | <u>7,450</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:

Current receivables

| | | |
|---------------|--------------|--------------|
| Trade debtors | <u>1,271</u> | <u>1,018</u> |
|---------------|--------------|--------------|

Current payables

| | | |
|-----------------|----------|----------|
| 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 2022

14. Economic dependency

100% of the fuel sold by the Company is currently sourced from TASCO Petroleum. 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.

| | 2022 | 2021 |
|--------------------------------|----------------------|----------------------|
| | \$ | \$ |
| <i>Auditors of the Company</i> | | |
| 2022 Audit fees* | 18,200 | 17,320 |
| Other services- taxation | 9,086 | 3,354 |
| | <u>27,286</u> | <u>20,674</u> |

*includes financial statement assistance

16. Community Contribution

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

| | | |
|--|----------------------|----------------------|
| Yackandandah Football & Netball Club | 440 | 440 |
| Yackandandah Scout Group | 4,000 | - |
| Yackandandah Tennis Club | 8,000 | - |
| Yackandandah Primary School | 4,545 | - |
| Yackandandah Golf Club | 1,930 | - |
| Yackandandah Riding Club | 4,765 | - |
| Yackandandah Cemetery Trust | 8,000 | - |
| Yackandandah Cricket Club | 3,000 | - |
| Yackandandah Night Netball Association | - | 2,000 |
| Yackatoon Retirement Village | - | 2,086 |
| Bruarong Community Centre Inc. | - | 7,160 |
| | <u>34,680</u> | <u>11,686</u> |

17. Dividends

Dividends of \$63,465 were paid during the 2022 year (2021 year: \$63,465).

Notes to and forming part of the financial statements For the year ended 30 June 2022

18. Taxation

(a) Income tax expense

| | 2022 \$ | 2021 \$ |
|--|---------------|---------------|
| Prima facie income tax expense calculated at 25% (2021: 25%) on the profit | 43,385 | 68,285 |
| Decrease in income tax expense due to: | | |
| Non assessable income | - | (5,506) |
| Non-deductable expenses | 2,067 | - |
| PP&E differences | 6,966 | (825) |
| Income tax under/(over) provided in prior year | 2,463 | (588) |
| Restatement of DTA/DTL due to change in company tax rate | - | 798 |
| Income tax expense/(benefit) attributable to profit from ordinary activities | <u>54,881</u> | <u>62,164</u> |
| Income tax expense/(benefit) attributable to profit/(loss) is made up of: | | |
| Current tax expense | 51,075 | 38,505 |
| Deferred tax expense/(benefit) | 1,343 | 24,247 |
| Under/(over) provided in prior years | 2,463 | (588) |
| | <u>54,881</u> | <u>62,164</u> |

(b) Deferred tax assets/(liabilities)

Deferred tax assets

Comprise the estimated future benefit at the applicable rate of 25% (2021: 25%) on the following items:

| | | |
|---|-----------------|-----------------|
| Provisions and accrued employee benefits not currently deductible – net of deferred tax liability | (17,608) | (16,265) |
| | <u>(17,608)</u> | <u>(16,265)</u> |

19. Contingent liabilities and contingent assets

Nil.

Notes to and forming part of the financial statements For the year ended 30 June 2022

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.

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Financial Assets | | |
| <i>Financial assets at amortised cost</i> | | |
| Cash and cash equivalents | 734,947 | 839,721 |
| Trade and other receivables | 172,676 | 148,736 |
| Other assets | 1,000 | 1,000 |
| Total financial assets | <u>908,623</u> | <u>989,457</u> |
| Financial Liabilities | | |
| <i>Financial liabilities at amortised cost</i> | | |
| Trade and other payables | <u>272,835</u> | <u>363,576</u> |
| Total financial liabilities | <u>272,835</u> | <u>363,576</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 period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' declaration

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

- (a) the financial statements and notes as set out on pages 7 to 27, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2022, and of its performance for the year ending on that date; and
 - (ii) complying with Australian Accounting Standards - Simplified Disclosures.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Yackandandah this 27th day of October 2022.

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



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

We communicate with 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.

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

CROWE ALBURY

BRADLEY D BOHUN
Partner

27th October 2022
Albury

Liability limited by a scheme approved under Professional Standards Legislation.

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

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