



# **ANNUAL REPORT**

of

**Yackandandah Community Development  
Company Limited**

ABN 45 099 899 886

For the year ended 30 June 2018

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 2018 and the auditor's report thereon.

### **Principal Activities**

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

### **Operating and Financial Review**

The Board of Directors are pleased to report a consistent result for the 2017/2018 financial year. Revenue from fuel sales has increased by 12% over the preceding year which is reflective of the increase in the average price of fuel sold. Revenue from other sales has increased by 5%.

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

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

### **Financial Result**

The Company reports an operating profit before tax of \$143,148 for the year ended 30 June 2018. This compares to an operating profit before tax of \$170,092 for the year ended 30 June 2017.

### **Financial Reports**

Detailed audited financial statements for the year ended 30 June 2018 are included in this Annual Report.

### **Dividends**

Dividends were declared and paid during the reporting period nil (2017: \$42,310).

### **Share Value**

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

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

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

<b>Net Equity (see Balance Sheet as at 30 June 2018)</b>	\$894,604
<b>Number of shares on issue (as at 30 June 2018)</b>	4,231
<b>Share Transfer Price (net asset backing per share)</b>	<b>\$211.44</b>

The Share Transfer Price as reported in last year's Annual Report was \$186.90.

## **State of Affairs**

YCDCo continues to operate on a commercial sustainable basis, enabling dividends to be distributed to shareholders (2017 - \$42,310) and investment back into the community of Yackandandah and surrounds.

During 2017/2018 the Board approved a new policy on unclaimed dividends. Where a dividend remains unclaimed (where a dividend cheque is not redeemed) after a period of three (3) years from issue date of the dividend, the dividend cheque will be cancelled. The value of the unclaimed dividend liability will be removed from the company accounts, and an equal value will be donated to a registered not for profit charity or organisation at the discretion of the YCDCo Board, in line with the intent of the Company constitution.

Investment into the community is not just represented by local employment (17 employees), fuel sold to shareholders (701,490 litres) at a discount or community projects supported (\$35,831). It also takes the form of confidence in the business community and support of a diverse thriving community.

The review into the service station layout and activities will continue in 2018/2019. The Board approved the purchase of a trailer in 2017/2018 to support the activities of the organisation.

The Board remains committed to retaining the broad-based community ownership of YCDCo. There have been no significant changes in the state of affairs that occurred during the financial year.

## **Events subsequent to Balance Date**

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

## **Likely Developments**

Other than those arising from an ongoing review of expansion opportunities there are no significant likely developments not otherwise disclosed in this report.

## **Derivatives and other financial instruments**

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

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

## **Directors**

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

Phillip Andrew Newman (Chairperson)

Age: 57

Occupation: Librarian

Director since: January 2010

Kevin Poyner

Age: 64

Occupation: Architect

Director since: January 2015

Resigned: December 2017

Myron James Bullivant

Age: 50

Occupation: Business Development Manager

Director since: July 2013

Barry John Maginness

Age: 57

Occupation: Project Manager

Director since: June 2014

Andrew Grieg

Age: 50

Occupation: Research & Development Manager

Director since: July 2014

Michael Bell

Age: 44

Occupation: Accountant

Director since : January 2016

Max Horvath  
Age: 53  
Occupation: Consultant  
Director since : December 2017

### **Company secretary**

Michael Bell was appointed to the position of Company Secretary in April 2017 and continues to act in this position as at and since the end of the financial year.

### **Directors' Meetings**

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

	<i>Meetings held *</i>	<i>Meetings attended</i>
Phil Newman	8	8
Michael Bell	8	7
Andrew Grieg	8	7
Myron Bullivant	8	6
Barry Maginness	8	7
Kevin Poyner – Resigned December 2017	3	3
Max Horvath – Appointed December 2017	5	5

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

### **Directors' Benefits**

Since the end of the previous financial year no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full time employee of the Company or of a related body corporate) by reason of a contract made by the Company or a related body corporate with a director or with a firm of which a director is a member, or with an entity in which a director has a substantial interest, except for those detailed in Note 12 to the financial report.

### **Environmental Regulation**

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Company has established procedures for monitoring compliance with existing environmental regulations and new regulations as they are enacted. This includes steps to be followed should an incident occur which has an adverse effect on the environment.

The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

### **Indemnification and insurance of officers and auditors**

Up to 30 June 2018, no insurance in respect of officers had been paid, nor had any indemnity arrangements been entered into with auditors.

**Auditor's Independence Declaration**

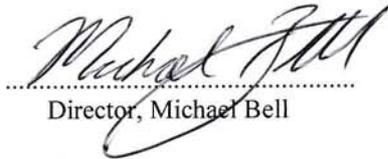
A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001*, is set out on page 6.

Signed in accordance with a resolution of directors.

Dated at Yackandandah this 25<sup>th</sup> day of October 2018.



.....  
Director, Phillip Newman



.....  
Director, Michael Bell

**Crowe Horwath Albury**

ABN 16 673 023 918  
Member Crowe Horwath International

Audit and Assurance Services  
491 Smollett Street  
Albury NSW 2640 Australia  
PO Box 500  
Albury NSW 2640 Australia

Tel 02 6021 1111  
Fax 02 6041 1892

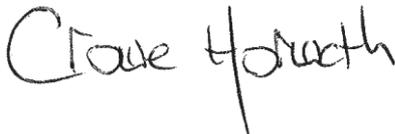
[www.crowehorwath.com.au](http://www.crowehorwath.com.au)

**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 2018 there have been:

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



**CROWE HORWATH ALBURY**



**BRADLEY D BOHUN**  
Partner

**25th October 2018**  
Albury

## Statement of profit or loss and other comprehensive income For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue from fuel sales		3,452,366	3,069,321
Revenue from other sales		809,696	768,690
Interest received		963	937
		<u>4,263,025</u>	<u>3,838,948</u>
Cost of goods sold	3(a)	3,728,445	3,322,860
Audit and tax fees		18,000	16,800
Advertising and promotion		2,194	4,105
Depreciation and amortisation		24,391	21,451
Electricity		5,162	5,942
Employee expenses (including director-based payments)	3(b)	264,221	243,195
Government and bank charges		1,656	1,726
Insurance		4,714	4,391
Printing and stationery		19,786	18,752
Telephone		4,141	4,585
Rent		9,186	8,263
Other expenses		1,878	7,485
Community Contribution	15	35,831	9,301
		<u>4,119,605</u>	<u>3,668,856</u>
Profit before tax		143,420	170,092
Income tax expense	17(a)	39,611	47,454
Profit for the period after tax		<u>103,809</u>	<u>122,638</u>
Other comprehensive income			-
Total comprehensive income for the year		<u>103,809</u>	<u>122,638</u>

## Statement of financial position

### As at 30 June 2018

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	416,823	297,155
Trade and other receivables	4	131,369	105,549
Inventories	5	217,275	217,244
Other assets	6	1,000	1,000
<b>TOTAL CURRENT ASSETS</b>		<u>766,467</u>	<u>620,948</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	352,932	374,137
Deferred tax assets	17(b)	4,638	3,094
<b>TOTAL NON CURRENT ASSETS</b>		<u>357,570</u>	<u>377,231</u>
<b>TOTAL ASSETS</b>		<u>1,124,037</u>	<u>998,179</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	198,742	176,131
Income tax payable/(refundable)		13,732	21,470
Employee benefits	9	16,959	9,783
<b>TOTAL CURRENT LIABILITIES</b>		<u>229,433</u>	<u>207,384</u>
<b>TOTAL LIABILITIES</b>		<u>229,433</u>	<u>207,384</u>
<b>NET ASSETS</b>		<u>894,604</u>	<u>790,795</u>
<b>EQUITY</b>			
Issued capital	10	423,100	423,100
Retained earnings		471,504	367,695
<b>TOTAL EQUITY</b>		<u>894,604</u>	<u>790,795</u>

## Statement of changes in equity For the year ended 30 June 2018

Note	Share capital \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2017</b>	<u>423,100</u>	<u>367,695</u>	<u>790,795</u>
<b>Total comprehensive income for the period</b>			
Profit or loss	-	103,809	103,809
Dividend Paid	-	-	-
<b>Balance as at 30 June 2018</b>	<u>423,100</u>	<u>471,504</u>	<u>894,604</u>
	Share capital \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2016</b>	<u>423,100</u>	<u>287,367</u>	<u>710,467</u>
<b>Total comprehensive income for the period</b>			
Profit or loss	-	122,638	122,638
Dividend Paid	-	(42,310)	(42,310)
<b>Balance as at 30 June 2017</b>	<u>423,100</u>	<u>367,695</u>	<u>790,795</u>

## Statement of cash flows

### For the year ended 30 June 2018

<b>Cash flows from operating activities</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash receipts in the course of operations	4,663,989	4,211,915
Interest received	963	937
Cash payments in the course of operations	(4,524,257)	(4,015,636)
Community commitment sponsorship payments	(17,841)	(9,741)
<b>Net cash provided by/(used in) operating activities</b>	<u>122,854</u>	<u>187,475</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(3,186)	(25,758)
<b>Net cash used in investing activities</b>	<u>(3,186)</u>	<u>(25,758)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	-	(42,310)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(42,310)</u>
<b>Net increase/(decrease) in cash held</b>	119,668	119,407
<b>Cash at the beginning of the financial year</b>	297,155	177,748
<b>Cash at the end of the financial year</b>	<u>416,823</u>	<u>297,155</u>

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# Notes to and forming part of the financial statements

## For the year ended 30 June 2018

### 1. Significant accounting policies

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

The financial report was authorised for issue by the directors on 25 October 2018.

#### (a) Statement of compliance

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

#### (b) Basis of preparation

The financial report is presented in Australian dollars.

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

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

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

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

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

##### (c) Income Tax

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

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

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

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

##### (d) Revenue recognition

###### *Goods sold*

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

##### (e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of the GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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

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

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

##### (g) Inventories

Inventories are carried at the lower of cost and net realisable value.

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

##### (h) Property, plant and equipment

###### (i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1(j)).

The cost of self-constructed assets includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

###### (ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

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

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

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

All depreciation rates are applied using a straight line basis.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

**(i) Cash and cash equivalents**

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

**(j) Impairment**

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

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

**(k) Employee benefits**

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

All staff, with the exception of the site manager and the 2IC, are employed on a casual basis. Accordingly, no obligation exists with regard to employee benefits for annual leave and sick leave for these casual employees.

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

**(l) Superannuation plan**

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

**(m) Controlled Entity**

The General Purpose financial report of the Company incorporates all commercial and non-business operations which the Company controls, either directly or through the operations of controlled entities, except for YCDco (Yackity Yak) Pty Ltd which has not been included in the financial report on the basis that its revenue and expenditure from continuing operations is immaterial as at reporting date.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

##### (n) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

##### (o) New standards and interpretations not yet adopted

The following standards, have been identified as those which may impact the Company in the period of initial application. They are available for early adoption at 30 June 2018, but have not been applied in preparing these financial statements:

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

##### *Classification and measurement:*

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

##### *Impairment:*

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

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

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. All existing revenue recognition will follow a 5-step process:

- Step 1: Identify the contract with the customer,
- Step 2: Identify the performance obligations in the contract,
- Step 3: Determine the transaction price,
- Step 4: Allocate the transaction price to the performance obligations in the contract, and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Significant implementation guidance is included with the standard.

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

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

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

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 2. Cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	1,265	1,265
Cash at bank	420,726	301,806
Undeposited funds	(5,168)	(5,916)
	<u>416,823</u>	<u>297,155</u>

#### 3. Expenses

##### (a) Cost of goods sold

Fuel	3,154,246	2,775,584
Hardware	169,168	163,521
Stock feed and rural supplies	140,990	133,238
Other	264,041	250,517
	<u>3,728,445</u>	<u>3,322,860</u>

##### (b) Employee expenses

Salaries and wages	241,576	223,281
Superannuation	19,381	16,922
Workers compensation	3,264	2,992
	<u>264,221</u>	<u>243,195</u>

#### 4. Trade and other receivables

Trade debtors	91,870	69,797
GST refundable	34,967	31,549
Prepayments	4,532	4,203
	<u>131,369</u>	<u>105,549</u>

Trade debtors are shown net of impairment losses amounting to Nil (2017: Nil).

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 5. Inventories

	2018 \$	2017 \$
Fuel	89,206	54,281
Motor accessories and Oil	11,275	14,481
Rural supplies and hardware	106,295	135,448
Sundry	10,499	13,034
	<u>217,275</u>	<u>217,244</u>

#### 6. Other Assets

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

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

#### 7. Property, plant and equipment

##### Land

<i>Land at cost</i>	<u>107,488</u>	<u>107,488</u>
	<u>107,488</u>	<u>107,488</u>

##### Building improvements

<i>Fuel storage equipment at cost</i>	103,699	103,699
<i>Accumulated depreciation</i>	(67,862)	(65,505)
	<u>35,837</u>	<u>38,194</u>

##### Shop and forecourt at cost

<i>Accumulated depreciation</i>	320,360	320,360
	(149,787)	(138,615)
	<u>170,573</u>	<u>181,745</u>

##### Plant and Equipment

<i>Fuel delivery equipment at cost</i>	116,525	113,339
<i>Accumulated depreciation</i>	(107,136)	(105,479)
	<u>9,389</u>	<u>7,860</u>

##### Retail sales equipment at cost

<i>Accumulated depreciation</i>	51,256	51,256
	(28,134)	(20,949)
	<u>23,122</u>	<u>30,307</u>

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

	2018 \$	2017 \$
<i>Office equipment at cost</i>	4,198	4,198
<i>Accumulated depreciation</i>	(3,637)	(3,099)
	<u>561</u>	<u>1,099</u>
<i>Motor vehicles at cost</i>	11,858	11,858
<i>Accumulated depreciation</i>	(5,896)	(4,414)
	<u>5,962</u>	<u>7,444</u>
Total Property, plant and equipment	<u>352,932</u>	<u>374,137</u>

#### Reconciliations

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

#### *Land*

Carrying amount at beginning of year	107,488	107,488
Additions	-	-
Disposals	-	-
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	38,194	40,551
Additions	-	-
Disposals	-	-
Depreciation	(2,357)	(2,357)
Carrying amount at end of year	<u>35,837</u>	<u>38,194</u>

#### *Shop and Forecourt*

Carrying amount at beginning of year	181,745	193,415
Additions	-	-
Disposals	-	-
Depreciation	(11,172)	(11,670)
Carrying amount at end of year	<u>170,573</u>	<u>181,745</u>

#### *Fuel Delivery Equipment*

Carrying amount at beginning of year	7,860	12,122
Additions	3,187	-
Disposals	-	(1,752)
Depreciation	(1,658)	(2,510)
Carrying amount at end of year	<u>9,389</u>	<u>7,860</u>

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

	2018	2017
	\$	\$
<b>Retail Sales Equipment</b>		
Carrying amount at beginning of year	30,307	8,430
Additions	-	24,849
Disposals	-	-
Depreciation	(7,185)	(2,972)
Carrying amount at end of year	<u>23,122</u>	<u>30,307</u>
<b>Office Equipment</b>		
Carrying amount at beginning of year	1,099	650
Additions	-	910
Disposals	-	-
Depreciation	(538)	(461)
Carrying amount at end of year	<u>561</u>	<u>1,099</u>
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	7,444	8,926
Additions	-	-
Disposals	-	-
Depreciation	(1,482)	(1,482)
Carrying amount at end of year	<u>5,962</u>	<u>7,444</u>
Total Property, plant and equipment	<u>352,932</u>	<u>374,137</u>

#### 8. Trade and other payables

Accruals	9,523	8,817
Trade creditors	145,510	125,069
PAYG Withholding payable	7,285	9,031
GST payable	36,424	32,214
	<u>198,742</u>	<u>176,131</u>

Unclaimed dividends for the amount of \$4,313 (2017: \$4,313) have been included in the trade creditors balance. These unclaimed dividends are being treated in accordance with the *Corporations Act 2001*.

#### 9. Employee Benefits

<b>Current</b>		
Annual leave	9,627	2,878
Accrued salaries and wages	7,332	6,905
	<u>16,959</u>	<u>9,783</u>

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 10. Equity

	Note	2018 \$	2017 \$
<b>Issued capital</b>			
4,231 (2017: 4,231) ordinary shares, fully paid		<u>423,100</u>	<u>423,100</u>

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

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

Operating profit/(loss) after income tax	103,809	122,638
<b>Add/(less) non-cash items:</b>		
Depreciation/Amortisation	24,391	21,451
Loss/(Gain) on sale of property, plant and equipment	-	1,752
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<u>128,200</u>	<u>145,841</u>
<b>Change in assets and liabilities during the financial year</b>		
(Increase)/Decrease in inventories	(31)	(15,266)
(Increase)/Decrease in receivables	(25,820)	(13,156)
(Increase)/Decrease in deferred tax assets	22,618	4,451
Increase/(Decrease) in payables	(1,544)	62,094
Increase/(Decrease) in employee benefits	(7,738)	(151)
Increase/(Decrease) in tax payable	7,169	3,662
	<u>122,854</u>	<u>187,475</u>

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 12. Related Parties

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

P Newman	K Poyner – Resigned December 2017
M Bell	M Horvath – Appointed December 2017
A Grieg	
M Bullivant	
B Maginness	

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:

	2018	2017
	\$	\$
Short-term employee benefits	-	-
Other long-term benefits	-	-
	<u>-</u>	<u>-</u>

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

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

	2018	2017
	\$	\$
<b>Current receivables</b>		
Trade debtors	<u>883</u>	<u>-</u>
<b>Current payables</b>		
Trade creditors	<u>100</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:

	2018	2017
Yackandandah Community Development Company Ltd		
Ordinary Shares	30	86
Options over ordinary shares	-	-

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 13. Economic dependency

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

#### 14. Auditor's Remuneration

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

	2018 \$	2017 \$
<i>Auditors of the Company</i>		
2018 Audit fees*	15,215	14,490
Other services- taxation	2,495	2,495
	17,710	16,985

\*includes financial statement assistance

#### 15. Community Contribution

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

Yackandandah Golf Club	2,000	-
Wasp Eradication Project	-	87
Yackandandah Folk Festival	-	1,600
The Pest & Vermin Control Centre	2,341	614
Yackandandah Primary School	10,000	-
Yackandandah Chamber of Commerce	1,500	-
Totally Renewable Yackandandah	2,000	-
Yackandandah Public Hall	-	7,000
Yackandandah Historical Society	5,000	-
1 <sup>st</sup> Yackandandah Scout Group	2,500	-
Foodworks	1,000	-
Osbornes Flat Community Centre	7,000	-
Kiewa Catchment Landcare	2,490	-
	35,831	9,301

#### 16. Dividends

Dividends of nil were paid during the 2018 year (2017 year: \$42,310).

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 17. Taxation

##### (a) Income tax expense

	2018	2017
	\$	\$
Prima facie income tax expense calculated at 27.5% (2017: 27.5%) on the profit/(loss)		46,775
	39,611	
Increase in income tax expense due to:		
Other	-	50
Restatement of DTA/DTL due to changes in the Company tax rate	-	629
Income tax under/(over) provided in prior year	-	-
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>39,611</u>	<u>47,454</u>
Income tax expense/(benefit) attributable to profit/(loss) from ordinary activities is made up of:		
Current tax expense	41,609	43,004
Deferred tax expense/(benefit)	(1,998)	4,450
	<u>39,611</u>	<u>47,454</u>

##### (b) Deferred tax assets

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

Future income tax benefit comprises the estimated future benefit at the applicable rate of 27.5% (2017: 27.5%) on the following items:

Provisions and accrued employee benefits not currently deductible	4,638	3,094
	<u>4,638</u>	<u>3,094</u>

#### 18. Contingent liabilities and contingent assets

Nil.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### 19. Financial risk management

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

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

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

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

##### **Credit risk**

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

##### *Trade and receivables*

The Company's exposure to credit risk is influenced mainly by the characteristics of the individual customer. The demographics of the customer base, including the default risk of the industry and the country in which it operates has less of an impact on the credit risk. Approximately 2.64 percent (2017: 2.8 percent) of the Company's revenue is attributable to sales transactions with one customer (Indigo Shire Council).

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

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

##### *Investments*

The Company has no investments at this point, except in YCDCo (Yackity Yak) Pty Ltd, a 100% owned subsidiary. This is an operating subsidiary and has not been consolidated in the financial report on the basis that its revenue and expenditure from continuing operations is immaterial as at reporting date.

##### *Guarantees*

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

##### **Liquidity risk**

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

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

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

- Overdraft facility of \$75,000 with an interest rate of 8.60% (2017: 8.70%).

##### **Market risk**

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

##### *Currency risk*

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

##### *Interest rate risk*

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

##### **Capital Management**

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

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

#### 20. Financial Instruments

##### **Credit risk**

##### **Exposure to credit risk**

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

The Company's maximum credit exposure at 30 June 2018 was:

	Carrying amount	
	2018	2017
	\$	\$
Loans and receivables	91,870	69,797
Cash and cash equivalents	416,823	297,155
	<u>508,693</u>	<u>366,952</u>

## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

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

##### Impairment losses

At reporting date the Company had receivables past due of \$10,221 (2017: \$3,599). The ageing of the Company's receivables at reporting date was:

	Gross 2018 \$	Accumulated Impairment loss 2018 \$	Gross 2017 \$	Accumulated Impairment loss 2017 \$
Not past due	81,649	-	66,198	-
Past due 0-30 days	9,925	-	2,864	-
Past due 31-60 days	271	-	4	-
More than 60 days	25	-	731	-
	91,870	-	69,797	-

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

##### Liquidity Risk

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

##### 30 June 2018

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	198,742	198,742	198,742	-	-	-	-
	198,742	198,742	198,742	-	-	-	-

##### 30 June 2017

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	176,131	176,131	176,131	-	-	-	-
	176,131	176,131	176,131	-	-	-	-

##### Currency risk

The Company was not exposed to any foreign currency risk at reporting date (2017: nil).

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## Notes to and forming part of the financial statements

### For the year ended 30 June 2018

#### Interest rate risk

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

	Carrying amount	
	2018	2017
	\$	\$
<b>Variable instruments</b>		
Financial assets	420,726	301,806
Financial liabilities	-	-
	<u>420,726</u>	<u>301,806</u>

#### Fair Values

##### Fair values versus carrying amount

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

#### 21. Subsequent events

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

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## Directors' declaration

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

- (a) the financial statements and notes as set out on pages 7 to 28, are in accordance with the *Corporations Act 2001*, including :
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2018, and of its performance for the year ending on that date; and
  - (ii) complying with Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements also comply with international financial reporting standards to the extent disclosed in the notes in the financial statements.

Dated at Yackandandah this 25<sup>th</sup> day of October 2018.

Signed in accordance with a resolution of the directors.



.....  
Director, Phillip Newman



.....  
Director, Michael Bell

## **Independent Auditor's Report**

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

#### **Opinion**

We have audited the financial report of Yackandandah Community Development Company Limited (the Company), which comprises the statement of financial position as at 30 June 2018, 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 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements report and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

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

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

#### **Other Information**

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2018, 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 – Reduce Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## **Auditor’s Responsibilities for the Audit of the Financial Report**

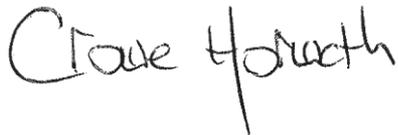
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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 HORWATH ALBURY**



**BRADLEY D BOHUN**  
Partner

**25th October 2018**  
Albury