

**Notice to Shareholders**

Notice is hereby given that the Annual General Meeting of Shareholders will be held at the C W A Cottage, Cobargo, on Wednesday the 13<sup>th</sup> December 2023 at 7.30 pm.

The purpose of the meeting is to:

- a) Confirm the Minutes of the preceding Annual General Meeting,
- b) Receive the Chairperson's and Directors' Reports, Financial Statements and Auditors' Report for the 12 months ended 30 June 2023,
- c) Confirm the election of Directors and determine their remuneration.  
Mr John Walters retired by rotation, was eligible for re-election and offered himself accordingly.
- d) Transact any other business that may be brought forward in conformity with the rules of the Cobargo Co-operative Society Limited.

By order of the Board of Directors,

Daniel Williamson  
Secretary Manager  
Cobargo Co-operative Society Ltd  
52-54 Princes Highway, Cobargo  
NSW 2550  
(02) 6493 6401

**Directors:** June Tarlinton (Chairperson), Graham Parr, John Walters, Peter Muirhead and Alex Wilms.

**Secretary Manager:** Daniel Williamson.

**Auditors:** Richard C. Parbery – registered company auditor (1864).

**Bankers:** Horizon Credit Union

**Directors' Declaration**

The Directors of the Co-operative declare that the financial statements and notes set out in this report:

- a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and the Co-operatives (Adoption of National Law) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.
- b) give a true and fair view of the Co-operative's financial position as at 30 June 2023 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

- a) the financial statements and notes are in accordance with the Co-operatives (Adoption of National Laws) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.
- b) there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

J. Tarlinton Chairperson  
Dated this ninth day of November 2023

P Muirhead Director

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF COBARGO CO-OPERATIVE SOCIETY LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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

Richard C. Parbery – registered company auditor (1864)  
24 Church Street, Bega NSW 2550

Dated this ninth day of November 2023

**CHAIRPERSON'S REPORT**

On behalf of the board and staff of the Cobargo Co-operative Society I'm pleased to present to you the annual report for the year 2022/23.

Total sales for the year were \$3,922,561 which is down on last year with a gross trading profit of \$872,731 which is slightly down on last year. Our total net profit after tax was \$66,063 excluding Grant from equity trust.

Another great year of trading has come close but slightly down on last year. Really to be expected with the current financial trends going on in the world. The rain has not been as good as the previous year but still a lot of planting of gardens happening and still more building and fencing being done. Lots of polypipe, poly fittings, sprinklers and hoses are being purchased with the summer ahead being forecast as extremely hot and dry.

At the Annual General meeting of the co-operative, we saw Peter Muirhead and Alex Wilms elected to the board and have appreciated their professional and constructive input. It is heartening to see people still prepared to offer their time and commitment to a position on the board for the betterment of the community. A Strategic Planning weekend was facilitated by Sam Byrnes secretary of Co-operatives federation which was stimulating and informative for board members. A lot of information relating to the board members roles and planning for the future of the Co-operative was generated.

The Co-operative has sought a grant and installed the car charging pods located in the carpark near the doctors. They are certainly becoming a much more common fixture throughout the world. It is hoped when the car drivers pull up to recharge it will enable the owners to indulge in some retail therapy. Cadet and the co-op have joined forces to install a solar grid project to provide power in diverse circumstances that may come our way in the future. The project is solar and battery stand-alone power project for major outages. Never can be too prepared from my experience.

Staff members of the Co-op are some of the most loyal and committed people you will ever meet. Rodney Gannon has been on staff for 30 years and Janet Hastie for 25 years. I would like to acknowledge their commitment to the Co-op as extremely outstanding employees. A junior member Arlo Wilms has started his working life and doing a mighty fine job. We are fortunate to have a great team of workers at the Co-op with all going that extra mile each day to give our customers. A huge thank you to you all for being so terrific and caring and serving the community capably led by our wonderful manager Dan Williamson.

I would lastly like to thank the much-valued board members for their terrific commitment and of course to the vibrant community that continually supports.

June Tarlinton

Dated this ninth day of November 2023

## **Directors' Report**

The Directors present their report together with the Financial Statements of the Society for the year ended 30 June 2023.

### **Directors**

The names of directors in office at any time during or since the end of the year are:  
June Tarlinton, Graham Parr, John Walters, Peter Muirhead and Alex Wilms. Directors have been in office since the start of the financial year to the date of this report.

### **Secretary**

Mr Daniel Williamson is our current secretary. Mr Daniel Williamson was appointed as secretary on the 9<sup>th</sup> October 2020.

### **Principal Activities**

The principal activities of the Society during the course of the financial year were unchanged and remain as a Retail Hardware and Produce Store.

### **Operating Results**

The profit of the Society for the financial year ended 30 June 2023 was \$66,063 after provision of deferred tax benefit of (\$2,795) and income tax expense of \$21,440.

### **Dividends**

The Directors recommend no dividends be paid this financial year.

### **Review of Operations**

Please refer to the Chairperson's Report which precedes this report, and which provides a detailed review of operations for the year.

### **Significant Changes in State of Affairs**

A project which the Co-operative has made a financial contribution to is a solar and battery power grid in collaboration with CADET -Cobargo and District Energy Transition group. The purpose of the project is to make the business self sufficient in its power needs during any future natural disaster. The grid will also allow the business to operate uninterrupted during any blackout or emergencies. Upon completion of the installation the Co-operative will be responsible for the maintenance of the grid.

### **Matters Subsequent to the End of the Financial Year**

The Co-operative has sourced a grant to install two electric car charging ports located in the carpark opposite the nursey section. A 50 % contribution of funds was contributed to the project from the co-operative to the value of \$ 10,177.30. The chargers have been commissioned and already being well used. The intent of investing money into the charge points was to encourage

travellers to stop and use the facility and contribute to the economy of Cobargo through retail sales whilst their cars are charged.

#### **Environmental Issues**

The Co-operative's operations are regulated by a variety of environmental regulations under a law of the Commonwealth or of a State or Territory.

To the best of our knowledge there have been no breaches as at the date of this report.

#### **Directors Emoluments**

The emoluments of each Director consist of directors' fees as determined by the members at the Annual General Meeting.

All directors received emoluments in the band of \$0 - \$9,999.

#### **Information on Directors**

<b>Directors</b>	<b>Qualifications</b>	<b>No. Years as Director</b>	<b>Special Responsibilities</b>
J. Tarlinton	Farmer	22	Chairperson
G. Parr	Horticultural	20	Director
J. Walters	Retired	6	Director
P. Muirhead	Rural Financial Counsellor	2	Director
A. Wilms	Business Owner	2	Director

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

The auditor's independence declaration for the year ended 30 June 2023 has been received.

#### **Meetings of Directors**

During the Financial Year, 10 meetings of Directors were held (including Annual General Meeting). Attendances were:

#### **Meetings Attended by Directors**

	<b>No. eligible</b>	<b>No. attended</b>
J. Tarlinton	10	10
G. Parr	10	10
J Walters	10	10
P. Muirhead	10	10
A. Wilms	10	8

**Indemnifying Officers or Auditor**

During or since the end of the financial year the Co-operative has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows: The Co-operative has paid premiums to insure directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of directors and officers of the Co-operative, other than conduct involving a wilful breach of duty in relation to the Co-operative. The amount of the premium was \$1,713.

**Proceedings on Behalf of the Entity**

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

**Directors Benefits**

Since the previous year no Director of the Society has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, for the fixed salary of a full-time employee of the Co-operative of a related corporation) by reason of a contract made by the Society or a related corporation with the Director or with a firm of which the Director is a member, or with a Co-operative in which the Director has a substantial financial interest.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

J. Tarlinton Chairperson

P. Muirhead Director

Dated this ninth day of November 2023

**Statement of Profit or Loss and Other Comprehensive Income  
for the Year Ended 30 June 2023**

<b>2022</b>			<b>2023</b>
<b>\$</b>		<b>Note</b>	<b>\$</b>
3,987,566	<b>Revenue</b>	2	3,922,561
45,814	Other Revenue		70,705
-3,113,427	Cost of Goods Sold		-3,049,830
-569,056	Employee Benefits Expense		-589,668
-26,296	Depreciation		-14,725
-202,219	Other Expenses		-251,956
<u>-2,594</u>	Finance Costs		<u>-2,379</u>
119,788	<b>Profit Before Income Tax</b>		84,708
<u>-32,414</u>	Income Tax Expense		<u>-18,645</u>
87,374	<b>Profit for the Year</b>		66,063
<u>776,694</u>	Grant - Equity Trust		<u>84,341</u>
<b>864,068</b>	<b>Profit attributable to members of the Co-op</b>		<b>150,404</b>

**Statement of Financial Position as at 30 June 2023**

<b>2022</b>			<b>2023</b>
<b>\$</b>	<b>Current Assets</b>	<b>Note</b>	<b>\$</b>
170,338	Cash	3	60,418
168,449	Receivable	4	147,248
538,061	Inventories	5	543,758
31,495	Other – prepayments	6	39,514
<u>908,343</u>	<b>Total Current Assets</b>		<u>790,938</u>
	<b>Non-Current Assets</b>		
1,348,856	Property, Plant and Equipment	7	1,420,330
2	Membership Shares Horizon Credit Union		2
29,220	Deferred Tax Asset	19	32,015
<u>1,378,078</u>	<b>Total Non-Current Assets</b>		<u>1,452,347</u>
<b>2,286,421</b>	<b>Total Assets</b>		<b>2,243,285</b>
	<b>Current Liabilities</b>		
387,935	Payables	8	239,229
90,611	Interest Bearing Liabilities	9	283
-61,208	Current Tax Liabilities	10	-18,560
109,966	Provisions	11	116,412
<u>527,304</u>	<b>Total Current Liabilities</b>		<u>337,364</u>
	<b>Non-Current Liabilities</b>		
<u>0</u>	Interest Bearing Liabilities	12	<u>0</u>
<b>527,304</b>	<b>Total Liabilities Excluding Members Shares</b>		<b>337,364</b>
<b>1,759,117</b>	<b>Net Assets Excluding Members Shares</b>		<b>1,905,921</b>
<u>-54,338</u>	Members Shares classified as a liability	13	<u>-50,738</u>
<b>1,704,779</b>	<b>Net Assets after Members Shares classified as a liability</b>		<b>1,855,183</b>

**Statement of Changes in Equity as at 30 June 2023**

<b>2022</b>		Note	<b>2023</b>
<b>\$</b>			<b>\$</b>
54,338	Members Shares	13	50,738
245,561	Reserves	14	245,561
595,276	Retained profits at the beginning of the financial year		1,459,218
<b>896,482</b>	<b>Profit from ordinary activities before Income Tax</b>	<b>2</b>	<b>169,049</b>
<u>-25,188</u>	Income Tax Expense relating to ordinary activities	18	<u>-21,440</u>
<b>871,294</b>	<b>Profit from ordinary activities after Income Tax</b>		<b>147,609</b>
-7,226	Deferred Income Tax recognised	18	2,795
-126	Prior Year Adjustment		0
<b>1,459,218</b>	<b>Retained profits at the end of the financial year</b>		<b>1,609,622</b>
1,759,117	Total Members funds before members funds classified as a liability		1,905,921
<u>-54,338</u>	Less members share classified as a liability		<u>-50,738</u>
<b><u>1,704,779</u></b>	<b>Total Members funds excluding members share</b>		<b><u>1,855,183</u></b>

**Statement of Cash Flows 2023**

<b>2022</b>		<b>Note</b>	<b>2023</b>
<b>\$</b>			<b>\$</b>
	<b>Cash Flows from Operating Activities</b>	<b>Note</b>	
3,919,779	Receipts from customers		3,964,119
-3,880,508	Payments to suppliers and employees		-3,989,584
30,971	Rent received		55,073
23	Interest Received		9
-2,594	Finance Costs		-2,379
-86,881	Income Tax (Paid) / Refunded		-509
<u>-19,210</u>	Net cash provided (used) in operating activities	17	<u>26,729</u>
	<b>Cash Flow from Investing Activities</b>		
-809,573	Payments for Property Plant & Equipment		-86,199
<u>-809,573</u>	Net cash used in Investing Activities		<u>-86,199</u>
	<b>Cash Flow from Financing Activities</b>		
776,694	Proceeds from Grant		84,341
140,863	Proceeds from Borrowings		-40,863
-10,863	Repayment of Borrowings		-90,328
1,950	Proceeds from issue of shares		5,980
-1,200	Share buy back payment		-9,580
<u>907,444</u>	Net cash provided (used) in financial activities		<u>-50,450</u>
78,661	Net Increase (Decrease) in cash held		-109,920
<u>91,677</u>	Cash at the beginning of the financial year		<u>170,338</u>
<u><u>170,338</u></u>	<b>Cash at the end of the financial year</b>	17	<u><u>60,418</u></u>

**Notes to and forming part of the Financial Statements**

**Note 1: Statement of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board, the Corporations Act 2001, and the Co-operatives (Adoption of National Law) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statement are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 9 November 2023 by the directors of the Co-operative.

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

***Revenue Recognition***

***Revenue from contracts with customers***

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Co-operative expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Co-operative have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

**Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Co-operative are:

**Sales revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

**Accounting Policies**

***Income Tax***

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**Inventories**

Inventories are measured at the lower of cost and net realisable value

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are shown at cost or 1981 valuation. Land and buildings are valued periodically by external independent valuers. In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conducted directors' valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5 – 4%
Plant & Equipment	6 – 40%

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

**Employee Provisions (see also note 11)**

Employee provisions represent amounts accrued for annual leave, sick leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the co-operative does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the co-operative does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

**Cash and Cash Equivalents**

Cash and Cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**Impairment of Assets**

At each reporting date, the Co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Co-operative estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

---

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

**Revenue**

	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers (AASB 15)		
Sales – Retail	3,922,561	3,987,566
	-----	-----
	3,922,561	3,987,566
 <u>Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations)</u>		
Sundry Income	13,761	9,191
Rental Income	50,339	30,971
	-----	-----
	64,100	40,162
	-----	-----
 <u>Finance Income</u>		
Interest Received	6,605	5,652
	-----	-----
	3,993,266	4,033,380
	-----	-----

**Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**Notes to and forming part of the Financial Statements**

**Note 1 (continued)**

**Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Co-operative during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

*Key Estimates – Impairment*

The Co-operative assesses impairment at each reporting date by evaluating conditions specific to the Co-operative that may lead to impairment of assets. Where the impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**Notes to and forming part of the Financial Statements**

**Note 2: Trading Account**

<b>2022</b>		<b>2023</b>
<b>\$</b>		<b>\$</b>
3,987,566	Sales	3,922,561
	Less Cost of Goods Sold	
511,978	Opening Stock	538,061
3,139,510	Purchases and Freight Inwards	3,055,527
3,651,488		3,593,588
-538,061	Closing Stock	-543,758
3,113,427	Cost of Goods Sold	3,049,830
<b>874,139</b>	<b>Gross Trading Profit</b>	<b>872,731</b>
	<b>Income</b>	
874,139	Gross Trading Profit	872,731
30,971	Rent	50,339
5,652	Interest	6,605
9,191	Sundry Income	13,761
<b>919,953</b>	<b>Total Income</b>	<b>943,436</b>
	<b>Expenses</b>	
6,934	Advertising	10,460
40,374	Assets - Instant Write Off	7,995
9,000	Audit Fees	9,000
50	Bad Debts Written Off	0
18,865	Bank Charges	10,229
625	Cobargo Hub expenses	17,352
26,296	Depreciation	14,725
8,343	Directors Fees	13,314
7,903	Electricity	8,821
4,872	Forklift & Motor Vehicle Expenses	6,628
2,108	General expenses	3,961
6,749	Hiring Charges	6,158
30,856	Insurance	36,609
2,594	Interest Expense	2,379
927	Legal expenses	2,241
2,561	Postage	2,206
6,364	Printing & Stationary	7,267
5,475	Projects Work expenses	24,725
12,282	Rates and Taxes	20,260
11,861	Repairs and Maintenance	20,653
11,134	Rubbish & Effluent Removal	12,122
467	Security Services	498
0	Seninars & Conferences	5,637
11,161	Software Support	11,340
7,277	Staff Training and Amenities	8,843
1,846	Subscriptions and Licences	1,835
3,670	Telephone	3,802
559,571	Wages & Superannuation Contributions	589,668
<b>800,165</b>	<b>Total Expenses</b>	<b>858,728</b>
<b>119,788</b>	<b>Operating Profit</b>	<b>84,708</b>

**Notes to and forming part of the Financial Statements**

<b>2022</b>		<b>2023</b>
	<b>Note 2: Trading Account (continued)</b>	
<b>\$</b>		<b>\$</b>
<b>119,788</b>	<b>Operating Profit</b>	<b>84,708</b>
- 32,414	Income Tax Expense	- 18,645
<u>776,694</u>	Grant - Equity Trust	<u>84,341</u>
<b><u>864,068</u></b>	<b>Profit attributable to members of the Co-op</b>	<b><u>150,404</u></b>
	<b>Note 3: Cash</b>	
	Reconciliation of Cash:	
	Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of the financial position as follows:	
2,600	Cash on Hand	2,600
31,581	Horizon Credit Union Current Account	57,518
135,857	Bushfire Relief Donations & Innovation Hub Held in Trust	0
<u>300</u>	Petty Cash	<u>300</u>
<b>170,338</b>		<b>60,418</b>
	<b>Note 4: Receivables</b>	
173,743	Trade Debtors	152,606
-6,000	Less Provision for Doubtful Debts	-6,000
<u>706</u>	Other Debtors	<u>642</u>
<b>168,449</b>		<b>147,248</b>
	<b>Note 5: Inventories</b>	
<b><u>538,061</u></b>	<b>Goods at Cost</b>	<b><u>543,758</u></b>
	<b>Note 6: Prepayments</b>	
<b><u>31,495</u></b>	<b>Prepaid Expenses</b>	<b><u>39,514</u></b>

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

<b>2022</b>		<b>2023</b>
<b>\$</b>		<b>\$</b>
<b>Note 7: Property, Plant and Equipment</b>		
110,917	Land and Buildings 1981 Valuation	110,917
-110,917	Less Provision for Depreciation	-110,917
<u>0</u>		<u>0</u>
1,622,857	Land & Buildings – at Cost	1,704,242
-298,859	Less Provision for Depreciation	-326,920
<u>1,323,998</u>		<u>1,377,322</u>
0	Solar & Battery - deposit	18,150
227,784	Furniture and Equipment – at Cost	227,784
-227,784	Less Provision for Depreciation	-227,784
<u>0</u>		<u>0</u>
24,858	Car Park – at Cost	24,858
<u><b>1,348,856</b></u>		<u><b>1,420,330</b></u>
<b>Note 8: Current Payables</b>		
379,752	Trade & Other Creditors	230,579
4,268	Bushfire Relief Donations	-
3,915	Rent Paid in Advance	8,650
<u><b>387,935</b></u>		<u><b>239,229</b></u>
<b>Note 9: Current Interest-Bearing Liability</b>		
<u>90,611</u>	Horizon Credit Union Term Loan	<u>283</u>
<u><b>90,611</b></u>		<u><b>283</b></u>
<b>Note 10: Current Tax Liabilities</b>		
6,535	Pay As You Go Tax Withheld	-
- 39,491	Income Tax Liability	- 18,560
- 28,252	Goods and Services Tax	-
<u><b>- 61,208</b></u>		<u><b>- 18,560</b></u>

An independent revaluation of land and buildings was undertaken on 2nd June 2020 by walsh + monaghan. The revaluation, which was undertaken to comply with Accounting Standards as part of a policy to revalue land and buildings periodically, was based on the current market value of land and buildings. The valuation revealed a current market value of \$1,735,000

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

<b>2022</b>		<b>2023</b>
<b>\$</b>		<b>\$</b>
	<b>Note 11: Employee Provisions</b>	
133,263	Opening balance at 1 July 2022	109,966
23,001	Additional provisions raised during year	46,419
- 46,298	Amounts used	- 39,973
<u><b>109,966</b></u>	Balance at 30 June 2023	<u><b>116,412</b></u>
	<b>Analysis of Employee Provisions</b>	
67,107	Annual and sick leave entitlements	66,992
<u>42,859</u>	Long service leave entitlements	<u>49,420</u>
<u><b>109,966</b></u>	Total current employee provisions	<u><b>116,412</b></u>
	<b>Note 12: Non-Current Interest Bearing Liability</b>	
<u><b>0</b></u>	Horizon Credit Union Term Loan	<u><b>0</b></u>
	Bank loans and overdraft are secured by equitable mortgage and floating charges by Horizon Credit Union over the assets of the Society.	
	<b>Note 13: Members Shares</b>	
<u><b>54,338</b></u>	25,369 Shares of \$2.00 each	<u><b>50,738</b></u>
	<b>Note 14: Reserves</b>	
98,110	Asset Revaluation Reserve	98,110
<u>147,451</u>	Capital Profit Reserve	<u>147,451</u>
<u><b>245,561</b></u>		<u><b>245,561</b></u>
	<b>Note 15: Auditors' Remuneration</b>	
<u><b>9,000</b></u>	Audit Fee due to Auditors	<u><b>9,000</b></u>
	<b>Note 16: Related Party Transactions</b>	
	Sale of farm supplies and stores to Directors are on normal commercial terms and conditions as enjoyed by other non-related members	

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

<b>2022</b>		<b>2023</b>
<b>\$</b>		<b>\$</b>
<b>Note 17: Cash Flow</b>		
2,600	Cash on Hand	2,600
300	Petty Cash	300
135,857	Horizon Savings	13,734
<u>31,581</u>	Cheque Account	<u>43,784</u>
<b><u>170,338</u></b>	<b>Total</b>	<b><u>60,418</u></b>

**Reconciliation of Cash Flow from  
Operations with Profit from Ordinary Activities**

87,374	Profit from ordinary activities after Income Tax	66,063
	Non-Cash Flows in Operating Profit:	
26,296	Depreciation	14,725
	Changes in Assets and Liabilities:	
- 68,431	(Increase)/Decrease in receivables	21,138
- 6,950	(Increase)/Decrease in other assets	- 2,732
- 26,084	(Increase)/Decrease in inventories	- 5,266
- 2,589	(Increase)/Decrease in prepaid Expenses	- 8,018
78,913	Increase/(Decrease) in creditors	- 87,302
- 84,442	Increase (Decrease) in other creditors	- 3,990
-	Increase/(Decrease) in Prepaid Income	4,734
- 23,297	Increase/(Decrease) in Provisions	27,377
<b><u>-19,210</u></b>	<b>Cash Flow from Operations</b>	<b><u>26,729</u></b>

**Note 18: Income Tax Expense**

The components of tax expense comprise:

	<b>2022</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Income Tax	25,188	21,440
Deferred Tax	7,226	-2,795
	<b>32,414</b>	<b>18,645</b>

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows.

Prima facie tax payable on profit from ordinary activities before income tax at 25%

**Note 19: Deferred Tax Asset**

The amount and nature of the deferred tax asset for the financial year ended 30 June 2023 is:

**Deferred tax assets & liabilities for each type of temporary difference**

**Deferred tax assets**

Provision for Annual/Sick Leave	66,992
Provisions for Long Service Leave	49,420
Rent in Advance	8,650
Audit Fee Accrual	9,000
	<hr/>
TOTAL DEFERRED ASSETS	134,062

**Deferred Tax Liabilities**

Provision for doubtful debt	6,000
TOTAL DEFERRED LIABILITIES	<hr/> 6,000

**Deferred tax amounts recognised in income tax expense**

**Deferred tax assets**

Provision for Annual/Sick Leave	16,748
Provisions for Long Service Leave	12,355
Rent in Advance	2,162
Audit Fee Accrual	2,250
	<hr/>
TOTAL DEFERRED TAX RELATING TO ASSETS	33,515

**Deferred tax liabilities**

Provision for doubtful debt	1,500
TOTAL DEFERRED TAX RELATING TO LIABILITIES	<hr/> 1,500

<b>NET DEFERRED TAX FOR DEFERRED TAX ASSET</b>	<b><u>32,015</u></b>
--	----------------------

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

**Independent Auditor's Report to the members of the  
Cobargo Co-operative Society Limited**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Cobargo Co-operative Society Limited, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Cobargo Co-operative Society Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the co-operative's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001
- (iii) the Co-operatives (Adoption of National Law) Act 2012 (NSW), Co-operatives National Law (CNL) and Co-operatives National Regulations.

**Basis for Opinion**

We conducted our audit in accordance with Australian Accounting 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 Co-operative 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Cobargo Co-operative Society Limited, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Co-operative's annual report for the year ended 30 June 2023, 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 Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine 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 Co-operative's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Co-operative 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 the audit conducted in accordance with the Australian Audit 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 Audit Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

**COBARGO CO-OPERATIVE SOCIETY LIMITED, ABN 62 578 224 074**  
**Year Ended 30 June 2023**

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 Co-operative'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 Co-operative'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 Co-operative 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 representation.

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 our audit.

**Emphasis of Matter**

The financial report has been prepared on the basis that the co-operative is a going concern. However, due to the uncertainty of the current economic climate, the future financial viability of the co-operative may be significantly affected.

R.C. Parbery—registered company auditor (1864)  
24 Church Street, Bega NSW 2550  
Dated this ninth day of November 2023