

TAFCO™

Primary Producer Proud



ANNUAL REPORT to MEMBERS 2014-2015

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TAFCO Rural Supplies

215 Great Alpine Road, Myrtleford 3737

03 5752 1800



TAFCO
RURAL SUPPLIES

BOARD OF DIRECTORS:

Mr. Allan McGUFFIE	Chairman
Mr. Joe LaSPINA	Deputy Chairman
Mr. Lachlan CAMPBELL	
Mr. Guido COSSIGNANI	
Mr. Paul DALBOSCO	
Mr. Angelo GRASSI	
Mr. Antonio (Nino) MAUTONE	

Observer Directors:

Mr. Dan IVONE

SECRETARY:

Ms. Kerry MURPHY

MERCHANDISING MANAGER:

Mr. Tony VACCARO

STAFF:

Mr. Glenn COUSINS
 Mr. Nick RUARO
 Mr. Gerard SACCO
 Mr. Tony LaSPINA (deliveries)
 Mr. Lee WHITMORE (casual)

AUDITOR/REVIEWER:

Mr. Sam MAROTTA

ACCOUNTANTS:

ALPINE TAX

BANKERS:

ANZ Banking Group - MYRTLEFORD BRANCH

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NOTICE TO MEMBERS & AGENDA.

NOTICE IS HEREBY GIVEN OF THE ANNUAL GENERAL MEETING OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, TO BE HELD AT THE MYRTLEFORD SAVOY SPORTING CLUB MEMBERS BAR, GREAT ALPINE ROAD MYRTLEFORD ON THURSDAY 26th NOVEMBER 2015 commencing at 6.00p.m

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on Thursday 27th November, 2014
3. Business Arising
4. Chairman's Report
5. Managers Report
6. Receiving & Adopting of: (a) Profit & Loss Statement
(b) Balance Sheet
(c) Directors Declaration and Directors Report
(d) Independent Assurance Practitioners Report
7. Appointment of Directors:
By rotation, L.Campbell, G.Cossignani & J.LaSpina
retire and are available for re-election: *(Nomination forms on last page of report)*
8. Ratification of Rates of Dividend, Bonus & Rebates.
At the Directors meeting held on the 3rd June 2015 a motion was carried issuing a 4% dividend to members and a 3% rebate on members trading 01.04.14 to 31.03.15 be paid as a credit on members accounts on the 30th June 2015.
9. Directors Fees - Ratification
At the Directors Meeting held on the 28th October 2015, a motion was carried that the Chairman's Annual Allowance remain at \$8,000 per annum and the Directors Sitting Fee- Day Allowance remain at \$150 per day.
Directors have reviewed and allowance and fees remain unchanged.

By Order of the Board.
Kerry Murphy. (SECRETARY)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, HELD ON THE 27th NOVEMBER 2014 AT THE MYRTLEFORD SAVOY SPORTING CLUB MYRTLEFORD WHICH COMMENCED AT 6.10p.m.

PRESENT: A.McGuffie, L.Campbell, G.Cossignani, D. Ivone, A.Mautone, P. & A. Cunico, A.Roman, P.Murtagh, P.Caponecchia, T.Vaccaro & K.Murphy

APOLOGIES: J.LaSpina, P.Dalbosco, A.Grassi, C.McCormack, G.Cousins, P.Burrowes, M.Milne and R & V Tomasoni.

Moved G.Cossignani/A.Mautone that the apologies be accepted. CARRIED.

MINUTES:

Moved A.Mautone/L.Campbell that the Minutes of the Annual General Meeting, held on Thursday 26th November 2013 be confirmed.

CARRIED

BUSINESS ARISING: Nil

CHAIRMAN'S REPORT:

The Chairman Allan McGuffie read to his report which was tabled in the Annual Report to the meeting and made special mention of:

- Upgrading TAFCO's truck to a larger capacity for our regional delivery service
- Launching of TAFCO's new website, electronic Newsletter and Facebook page
- TAFCO's online weather stations providing a community service across the region.
- Investigating into the re-opening of Myrtleford Foodworks was seen as a potential opportunity to expand our business. There was significant investigations done into this and TAFCO did not proceed.
- Visiting Yolla Producers Co-operative in Tasmania.

The Board were thanked for their contributions in steering the business under the Management Team of Tony Vaccaro & Kerry Murphy and all staff members thanked for their commitment to customer service, through their product knowledge and making customers feel welcome in store.

Moved D.Ivone/P.Cunico that the Chairman's Report be received.

CARRIED.

MANAGERS REPORT:

Manager Tony Vaccaro spoke to the Audited Financial accounts and outlined that TAFCO was in a strong financial position and in a sound, healthy financial position for the future.

TAFCO's current trading position continues to remain strong which is reflected in the Financial Accounts. Turnover increased by \$185,277 to \$4,141,613 which Directors issued a 2.75% rebate on trading and a 5% dividend on shares which was paid as a credit on members accounts in June 2014.

The expanding of offices for Phil Ash Elders Insurance has given security of additional income streams and strengthened our partnership through this arrangement. I would encourage all members to have a chat to Phil and his team about your existing or any new insurance.

TAFCO has continued to support the regional community through sponsorships to local sporting bodies including golf, bowls, soccer, football and netball clubs. The Myrtleford and District Agricultural & Pastoral Society, Alpine Valley Vignerons, King Valley Vignerons, Chestnuts Australia have received support and a range of donations of stock for many worthy causes have been given during the year.

The Balance Sheet shows that if the business was wound up that Shares would be worth over \$3.00 each. Gross profit up from previous year.

Moved P.Murtagh/A.Mautone that the Managers report be received. CARRIED.

FINANCIAL REPORTS:

Moved L.Campbell/P.Cunico that the Balance Sheet, the Profit & Loss Statement, the Directors Report and the Auditors Report be received

CARRIED.

APPOINTMENT OF DIRECTORS:

By rotation the following Directors retired: Paul Dalbosco & Nino Mautone

Moved G.Cossignanai/D.Ivone that Paul Dalbosco & Nino Mautone be appointed as Directors for a 3 year term.

CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved P.Cunico/A.Mautone ratified that a 2.75% rebate on members 12 month trading from 1st April 2013 to as at the 31st of March 2014 and a 5% dividend on shares was made to members as a credit on their account.

CARRIED.

DIRECTORS FEES:

Members were informed that at the Directors Meeting held on 1st October 2014 Directors carried a motion that there be no increase to the Chairman's Annual Allowance of \$8,000 per annum and that Directors sitting Fees remain at \$150 per day.

Moved P.Murtagh/A.Roman that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$150 be ratified.

CARRIED.

GENERAL BUSINESS:

Change of rules to reflect Co-operative National Law Application Act 2013

New draft rules were submitted to Consumer Affairs Victoria to reflect the introduction of the Co-operative National Law and repealing of the Co-operative Act 1996 (Vic). Approval was granted on the 28th August 2014 for the proposed new rules to be adopted by members.

The draft rules could be downloaded from the website and a link was included in the October Newsletter to members.

Moved G.Cossignani/A.Mautone that the new rules for TAFCO be adopted as approved by Consumer Affairs Victoria.

CARRIED.

MEETING CLOSED 6.55p.m:

.....
Chairman dated

CHAIRMAN'S REPORT.

It is with great pleasure that I present the TAFCO Chairman's Report for the 2014-15 Year.

TAFCO's current trading position continues to remain strong which is reflected in the Financial Accounts. Turnover increased by \$259,996 to \$4,401,608 which Directors issued a 3% rebate on trading and a 4% dividend on shares which was paid as a credit on members accounts in June 2015.

It has been a busy and very successful trading year which is reflected in the Financial Statements. Our on farm delivery service continuing to grow with the truck often full to it's capacity. To improve our service, we have made changes to the ordering process, now requiring all phone orders for delivery to be place at least the day before scheduled delivery.

Trading hours have been reviewed by the Board and store opening hours will remain at 8.30a.m to 5.00p.m Monday to Friday and Saturday mornings 8.30a.m to 12noon.

The TAFCO™ brand, has been strengthened with new signage at the storefront incorporating the AIRR buying group brand. TAFCO was one of the founding members of the Australian Independent Rural Retailers which has been valuable to our business growth and access to new product lines including the \$2 bargain bin which is very popular with our in store customers. More importantly the Balance Sheet shows AIRR shares increasing from \$271,554 to \$352,462 in the past 12 months which increases our asset base now over \$2.6million

Agency products have been an area of concern for our customers with many new horticultural products being restricted to "Agencies" which TAFCO is ineligible to become and therefore cannot access a number of products. Management has worked closely with EE Muir and Sons to try and resolve but at this stage the restricted 'agency' chemical list is getting longer rather than shorter. Management will continue to work towards a solution for our members but unfortunately there is no quick fix with major chemical manufacturers dictating their terms on a range of chemical.

Recognising that many of TAFCO's formation members have retired from farming and still have a major shareholding within the co-operative, the Board are looking at new ways to retain the capital base of 600,000 shares. The minimum shares for new shareholders is 250 Shares at \$1.00 is being reviewed.

During the course of the year we have secured funds which add to TAFCO's suite of services to the community. The most recent being funding to investigate an Accredited Farmers Market for Myrtleford. Gary Baxter has commenced this project which will be completed by the end of March 2016. TAFCO has also sourced funds to add another weather station to the TAFCO network with online local weather data for the Rosewhite-Mudgegonga area through the Into Our Hands Community Foundation which will be installed and online early in 2016.

Finally, thank you to the Board of Directors who continually explore new avenues to grow the business and provide direction to the Management team of Tony Vaccaro & Kerry Murphy. Congratulations to all our staff who are a great team who take pride in friendly customer service - winning retail business of the year again in the Alpine Shire Business Awards was deserving recognition of their commitment and hard work.

Continued support and spending from our many loyal members and customers, I thanks each of you for contributing to another successful year of trading and one which we aim to grow in 2016.

Allan McGuffie

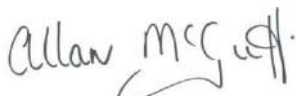
CHAIRMAN OF DIRECTORS.

DIRECTORS REPORT:

In accordance with the Co-operative National Law, your Directors submit their report together with audited financial statements for the year ended 30th June 2015:-

- (a) The names of the directors in Office for the period of this Report 01.07.14 to 30.06.15 are; Allan McGuffie , Joe LaSpina, Lachlan Campbell, Guido Cossignani, Paul Dalbosco, Angelo Grassi & Nino Mautone and are listed on the first page of the Annual Report.
- (b) The principal activity of the co-operative is to provide a retail outlet for agricultural products and Merchandise. There were no significant changes in the nature of these activities during the year.
- (c) The net amount of profit and loss of the Co-operative for the Financial year ended 30th June 2015, after provisions for income tax was a profit of 212,704 (previous years \$196,140)
- (d) A total of 600,270 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 4% dividend (\$24,011) & a 3% rebate on trading (\$98,428) which was paid on the 30th June 2015.
- (f) The operations of the Co-operative are not subject to environmental regulations.
- (g) At the date of this Report, no change to assets of the co-operative which has arisen since the end of the Financial Year and secures the liabilities of any other person AND the Directors at the time of this Report believe that there is NO contingent liability which has arisen since the end of the financial year.
- (h) At the date of this Report, the Directors were not aware of any circumstances not otherwise dealt with in the report or accounts which would render any amount stated in the accounts misleading.
- (i) In the opinion of Directors, there has not arisen during the interval of the end of the Financial Year and the date of this Report, any item, transaction or event of a material and unusual nature likely to substantially affect the results of the operations of the Co-operative for the next succeeding Financial Year.
- (j) The Directors have not during the course of the year or since the end of the year granted to a person an option to have issued to him shares in the Co-operative
- (k) Since the end of the financial year, no Director has received or become entitled to receive a benefit, by reason of a contract made by the Co-operative with the Director of with a firm which he is a member or with a company in which he has a substantial financial interest.
- (l) No Indemnities or insurance premiums have been paid during or since the end of the financial year for a person who is or has been an officer or auditor of the Co-operative

Signed in accordance with a resolution of the Board and is signed for and on behalf of the Directors at Myrtleford on Wednesday 28th October 2015



ALLAN MCGUFFIE
Chairman



JOE LaSPINA
Deputy Chairman

DIRECTORS DECLARATION:

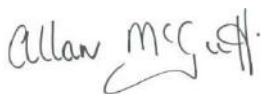
In accordance with a resolution of the Board of Directors we, ALLAN McGUFFIE and JOE LaSPINA being two Directors of the Tobacco & Associated Farmers Co-operative Limited, state on behalf of and in accordance with a resolution of the Directors, that, the Directors have determined that the co-operative is a small co-operative and that the Financial Reports are a true and fair view of the state of affairs.

The Directors of the co-operative declare that:

1. The accompanying Financial Statements and notes for the financial year 1st July 2014 to 30th June 2015, are prepared in accordance with the *Co-operatives National Law Application Act 2013 and Co-operatives National Law (Victoria) Local Regulations 2014*, and:
 - (a) give a true and fair view of the state of affairs of the Co-Operative for the financial year 1st July 2014 to 30th June 2015; and
 - (b) comply with applicable accounting standards.
2. At the date of this declaration, 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.
3. The Co-operative has kept such accounting records that correctly record and explain the transaction and financial position of the co-operative.

Declared at Myrtleford on 28th October 2015

ON BEHALF OF THE BOARD.



ALLAN McGUFFIE



JOE LaSPINA

Detailed Profit and Loss Statement 2013-2014 2014-2015

Revenue			
	Sales	\$ 4,141,612.83	\$ 4,401,608.02
	Rounding	\$ -	\$ -
	Total Revenue	\$ 4,141,612.83	\$ 4,401,608.02
Cost of Goods Sold			
	Purchases	\$ 3,592,606.57	\$ 3,693,043.23
	Inwards Freight	\$ 44,647.43	\$ 42,235.64
	Stock Movement	-\$ 103,374.48	\$ 52,141.42
	Total Cost of Goods Sold	\$ 3,533,879.52	\$ 3,787,420.29
	Trading Gross Profit	\$ 607,733.31	\$ 614,187.73
Other Income			
	Freight Pivot	-\$ 30.61	\$ -
	Interest Received - Debtors	\$ 8,611.08	\$ 8,265.48
	Profit/Loss on Sale of Fixed Asset	\$ -	-\$ 16.00
	Project Funding	\$ 3,363.44	\$ 6,270.24
	Rebates-Merchandise	\$ 94,710.38	\$ 106,535.06
	Rebates-Fuel	\$ 869.94	\$ 666.00
	Rebates-Insurance	\$ 28,360.00	\$ 26,752.20
	Rebates-V.F.F.	\$ -	\$ -
	Rent Received	\$ 20,149.93	\$ 20,799.96
	Interest Received - Bank	\$ 12,680.60	\$ 10,017.54
	Dividends-Incitec Shares	\$ 493.58	\$ 496.84
	Dividends-AIRR Shares	\$ 30,556.49	\$ 33,213.58
	Training Income	\$ 9,900.00	\$ 11,345.00
	Wages Reimbursement	\$ 2,250.00	\$ -
	Total Other Income	\$ 211,914.83	\$ 224,345.90
	Total Gross Profit	\$ 819,648.14	\$ 838,533.63

Detailed Profit and Loss Statement

	2013-2014	2014-2015
Expenses		
Accounting	\$ 1,887.75	\$ 2,250.00
Advertising	\$ 10,701.61	\$ 11,103.51
A.G.M. Expenses	\$ 249.23	\$ 129.18
Amenities	\$ 1,606.10	\$ 2,395.80
Audit Fees	\$ 8,850.00	\$ 6,500.00
Ammortisation - Goodwill	\$ 2,500.00	\$ 2,500.00
Bad Debts	\$ 2,244.91	\$ -
Bank Charges	\$ 8,839.42	\$ 9,043.44
Chairmans Allowance	\$ 8,000.04	\$ 8,000.04
Cleaning	\$ 9,014.69	\$ 8,828.44
Consultants Fees	\$ -	\$ 200.00
Computer Training & Support	\$ 11,064.78	\$ 13,025.82
Debt Collection Expenses	\$ 100.00	\$ 100.00
Depreciation - Plant	\$ 15,400.00	\$ 11,622.00
Directors Expenses	\$ 5,863.64	\$ 4,950.00
Donations	\$ 69.95	\$ -
Doubtful Debts	\$ 2,478.00	\$ 2,410.00
Electricity/Heating-215 Myrtle	\$ 7,082.73	\$ 7,519.03
Entertainment	\$ 2,561.17	\$ 994.37
Entertainment-VFF	\$ 349.35	\$ 382.40
Farmers Training Courses	\$ 5,452.71	\$ 8,672.73
Forklift-Repairs & Maintenance	\$ 5,721.79	\$ 5,483.78
Fringe Benefits Tax	\$ 4,852.29	\$ 825.00
Insurance - General	\$ 13,862.15	\$ 14,069.69
Interest - Overdraft	\$ 542.29	\$ 188.05
Licences,Regos,Permits	\$ 1,049.44	\$ 654.53
Medical Expenses	\$ 119.05	\$ 37.80
Membership-V.F.F.	\$ 646.37	\$ 646.37
Member Fees-A.I.R.R.	\$ 5,800.00	\$ 6,200.00
Motor Vehicle - Fuel	\$ 6,007.08	\$ 5,202.49
Motor Vehicle - Running Costs	\$ 2,345.53	\$ 573.68
Motor Vehicle-Interest on Loan	\$ 244.32	\$ 2,071.44
Open Day Expenses	\$ 183.26	\$ 48.91
Postage	\$ 4,433.14	\$ 4,630.18
Printing And Stationery	\$ 7,095.88	\$ 6,178.36
Project Funding Expenses	\$ 6,581.29	\$ 6,270.24

Detailed Profit and Loss Statement	2013-2014	2014-2015
Rates & Taxes-215 Myrtle St	\$ 7,208.92	\$ 6,848.42
Rates & Taxes-231 Myrtle St	\$ 3,889.00	\$ 3,883.14
Repairs & Maintenance - Plant	\$ 422.30	\$ 1,416.62
Repairs & Maint.-215 Myrtle St	\$ 4,444.41	\$ 2,060.76
Repairs & Maint.-231 Myrtle St	\$ 1,158.55	\$ -
Replacements	\$ 65.45	\$ 224.99
Security	\$ 1,903.09	\$ 1,614.00
Seminars & Conferences	\$ 235.00	\$ 40.00
Signwriting	\$ -	\$ 2,975.00
Special Write Off Building	\$ 11,621.00	\$ 18,104.00
Subscriptions	\$ 446.64	\$ 537.55
Superannuation - Staff	\$ 44,815.52	\$ 51,986.05
Staff Training	\$ 342.00	\$ 975.00
Telephone	\$ 12,077.82	\$ 11,793.81
Travelling & Accommodation	\$ 3,221.23	\$ 819.32
Travelling & Accommodation-VFF	\$ 336.36	\$ 749.17
Truck - Fuel	\$ 10,749.64	\$ 10,319.50
Truck - Lease	\$ 13,975.32	\$ 13,975.32
Truck - Running Costs	\$ 1,858.26	\$ 4,680.04
Uniforms	\$ 215.46	\$ 960.91
Utility - Fuel (Nissan)	\$ 1,922.24	\$ 1,504.87
Utility - Running Exp (Nissan)	\$ 1,811.66	\$ 950.11
Utility - Fuel (Ford)	\$ 2,113.18	\$ 2,508.22
Utility Running Exp (Ford)	\$ 1,556.88	\$ 1,431.16
Wages	\$ 289,250.32	\$ 284,832.16
Web Page Setup & Maintenance	\$ 797.58	\$ 863.18
Workcover	\$ 4,722.20	\$ 4,689.15
Total Expenses	\$ 584,959.99	\$ 584,449.73
Net Profit / (Loss)	<u>\$ 234,688.15</u>	<u>\$ 254,083.90</u>

Detailed Balance Sheet**2013-14****2014-2015**

Current Assets					
	Cash on Hand	\$	600.00	\$	600.00
	Petty Cash	\$	200.00	\$	200.00
	Trade Debtors	\$	255,719.31	\$	279,819.77
	Less: Provision Doubtful Debts	-\$	25,572.00	-\$	27,982.00
	Other Debtors	\$	10,355.00	\$	9,780.00
	A.N.Z. Term Deposit	\$	258,759.95	\$	267,655.32
	Business Online Saver Account	\$	52,584.31	\$	53,706.48
	A.N.Z. Account 47723-Chq. A/C	\$	15,232.94	\$	123,809.72
	Inventory	\$	587,018.22	\$	534,876.80
	Shares - Incitec Pivot	\$	11,774.00	\$	15,631.00
	Shares - A.I.R.R.	\$	271,554.00	\$	352,462.00
	Less:Provision for Ammort.	\$	-	-\$	2,500.00
	Loan A/C-Members re GST	-\$	1,288.52	\$	18,616.68
	Less:Provision for Ammort.	-\$	2,500.00	-\$	2,500.00
	Total Current Assets	\$	1,434,437.21	\$	1,624,175.77
Fixed Assets					
	Land 231 Myrtle St @ Dir. Val.	\$	85,000.00	\$	85,000.00
	Build. 231 Myrtle @ Dir. Val.	\$	279,000.00	\$	279,000.00
	Buildings-215 Myrtle Street	\$	443,866.75	\$	443,866.75
	Less:Accum. Write-Off	-\$	153,278.00	-\$	171,382.00
	Build. 231 Myrtle-Shed Part.	\$	4,250.00	\$	4,250.00
	Plant & Equipment @ Cost	\$	257,533.01	\$	259,679.76
	Less: Accumulated Depreciation	-\$	145,798.00	-\$	142,920.00
	Land 215 Myrtle St @ Dir. Val.	\$	213,000.00	\$	213,000.00
	Debtor Opening Balances	\$	-	\$	-
	Total Fixed Assets	\$	983,573.76	\$	970,494.51
Intangible Assets					
	Goodwill @ Cost Ex M.G.	\$	50,000.00	\$	50,000.00
	Total Intangible Assets	\$	50,000.00	\$	50,000.00
	Total All Assets	\$	2,468,010.97	\$	2,644,670.28

Detailed Balance Sheet**2013-14****2014-2015**

Current Liabilities			
Prepaid Income-Smartchoice		\$ -	\$ -
Provision for Income Tax		\$ 5,331.05	\$ 8,618.51
Pay As You Go Instalment		\$ -	\$ -
Trade Creditors		\$ 371,481.98	\$ 349,155.72
Accrued Creditors		-\$ 5,276.37	\$ 2,821.81
Provision for Annual Leave		\$ 25,058.00	\$ 20,916.00
Provision for Long Service		\$ 50,093.00	\$ 58,047.00
GST Sales		\$ -	\$ -
Creditors Opening Balances		\$ -	\$ -
BAS Invoice Rounding		\$ -	\$ 0.02
Total Current Liabilities		\$ 446,687.66	\$ 439,559.06
Long Term Liabilities			
Suspense Account-GST		\$ -	\$ -
Suspense Account-Clearing		\$ 482.00	\$ 20,041.00
Suspense A/c-Project Funding		\$ -	\$ -
Bank Reconciliation Variance		\$ -	\$ -
Loan Esanda-Chattel Mortgage		\$ 61,760.57	\$ 51,532.85
Unexpired Interest-Esanda		-\$ 8,113.55	-\$ 6,042.11
Total Long Term Liabilities		\$ 54,129.02	\$ 65,531.74
Total All Liabilities		\$ 500,816.68	\$ 505,090.80
Income Tax Expense		-\$ 38,548.00	-\$ 41,379.90
Members Rebate		-\$ 84,130.20	-\$ 98,428.01
Members Dividend		-\$ 29,955.15	-\$ 24,010.80
Transfer General Reserve		-\$ 9,807.00	-\$ 10,635.00
Long Service Leave		-\$ 7,262.00	-\$ 7,954.00
Annual Leave		\$ 1,405.00	\$ 4,142.00
Bonus Share Issue		\$ -	\$ -
Ordinary Shares - Fully Paid		\$ 599,103.00	\$ 600,270.00
Retained Profits/Losses		-\$ 35,830.75	-\$ 204,128.10
Capital Profit Reserve		\$ 41,170.15	\$ 41,170.15
General Reserve		\$ 189,670.00	\$ 200,305.00
Asset Revaluation Reserve		\$ 646,892.07	\$ 731,657.07
Profit & Loss Brought Forward		\$ 694,487.17	\$ 813,018.23
Current Year Profit & Loss		-\$ 0.02	\$ 135,552.84
Total All Equity		\$ 1,967,194.27	\$ 2,139,579.48

Cash Flows Statement

Source of Funds

<i>Description</i>	<i>Amount</i>
Accrued Creditors	8,098.18
Annual Leave	2,737.00
Asset Revaluation Reserve	84,765.00
BAS Invoice Rounding	0.02
Current P&L	135,552.84
General Reserve	10,635.00
Inventory	52,141.42
Less: Provision Doubtful Debts	2,410.00
Less:Accum. Write-Off	18,104.00
Less:Provision for Ammort.	2,500.00
Members Dividend	5,944.35
Ordinary Shares - Fully Paid	1,167.00
Other Debtors	575.00
Profit & Loss Brought Forward	118,531.06
Provision for Income Tax	3,287.46
Provision for Long Service	7,954.00
Suspense Account-Clearing	19,559.00
Unexpired Interest-Esanda	2,071.44
	476,032.77

Application of Funds

<i>Description</i>	<i>Amount</i>
A.N.Z. Term Deposit	8,895.37
A.N.Z. Account 47723-Chq. A/C	108,576.78
Business Online Saver Account	1,122.17
Income Tax Expense	2,831.90
Less: Accumulated Depreciation	2,878.00
Loan A/C-Members re GST	19,905.20
Loan Esanda-Chattel Mortgage	10,227.72
Long Service Leave	692.00
Members Rebate	14,297.81
Plant & Equipment @ Cost	2,146.75
Provision for Annual Leave	4,142.00
Retained Profits/Losses	168,297.35
Shares - A.I.R.R.	80,908.00
Shares - Incitec Pivot	3,857.00
Trade Creditors	22,326.26
Trade Debtors	24,100.46
Transfer General Reserve	828.00
	476,032.77

Range : Period between - July 2014 and - June 2015

Independent Auditors Review Report



Porcaro Holdings Pty Ltd ABN 98 007 172 787 Trading as:

91 Standish Street
Myrtleford VIC 3737
Telephone (03) 5751 1411
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ACCOUNTING for YOUR Business

26th October 2015

The Directors
Tobacco and Associated Farmers Co-Operative Ltd.
215 Myrtle Street
MYRTLEFORD VIC. 3737

Dear Sirs,

RE : AUDIT FOR YEAR ENDED 30TH JUNE 2015

I thank the Directors for the opportunity of acting as Auditor/Reviewer of the Co-operative and now advise that the Audi/review for the year ended 30th June 2015 is complete.

Last year has seen the introduction of the Co-operatives National Law Application Act 2013 (CNL) and Co-operatives National Law (Victoria) Local Regulations 2014. Under the CNL Tafco is classified as a "Small Co-operative" and therefore not required to produce a full set of audited Financial Statements unless requested by the members at a General Meeting.

The Directors however have requested that a "Review" to be conducted in accordance with Standard on Review Engagements ASRE 2400, as outlined in the Engagement Letter of last year.

A Review is more limited in nature compared to an Audit and as such after discussions with the Manager & Secretary we have not reviewed certain areas. Also, we have not prepared the Executive Financial Summary & Graphs or assisted as in past years, to produce a full set of Financial Accounts & Statement of Cashflows. We have therefore relied on the Tafco accounting system, "Merlin", and assisted the Manager in the preparation of journals to produce final reports.

A. EXAMINATION OF BOOKS & RECORDS AND EVALUATION OF INTERNAL CONTROL

My examination of the books and records on a sample basis has revealed no major weaknesses and the records are properly maintained.

Executive Director:
Sam P. Marotta GD (Acctg); JP
Registered Company Auditor
Registered SMSF Auditor

Director:
Elena Marotta DipEc

email:admin@alpinetax.com.au
website: www.alpinetax.com.au

B. EXAMINATION OF FINANCIAL STATEMENTS

1. Cash on Hand and Bank Accounts

All Bank Accounts have been checked and verified and bank reconciliations are regularly prepared by the Manager. We did note again however that there is a "timing difference" in the Merlin bank reconciliation for the main trading account if the reconciliation is not printed exactly at the end of the period.

We were able to manually reconcile the bank account to confirm the figure in the Accounts. We did suggest to the Manager that for the end of the financial year, the reconciliation should be done on the day to ensure that it is correct. We also asked that a number of stale cheques be written back.

2. Debtors

The existence, collectability and value of trade debtors has been checked and verified. Debtors are higher this year at \$279820 (an increase of \$24101), compared with \$255719 last year.

The aged debtors list was discussed with the Manager & there are no serious concerns.

As a result of the increase in Debtors, the provision for Doubtful Debts of 10% of debtors, has increased from \$25572 to \$27982.

As part of the Review I have not circularised debtors as at the 30th June, 2015 seeking confirmation of balances.

3. Stocks

A Physical stocktake was conducted again in June this year and Stock on hand decreased by \$52141 to \$534877. Stock valuations were checked against invoices on a test basis and no problems were revealed.

4. Fixed Assets

I believe accurate records are maintained for fixed assets. Any acquisitions and disposals have been checked and where possible physical existence of assets was confirmed. As part of my examination of fixed assets this year, I have confirmed existence of new additions during the year as shown on the depreciation schedule.

The following items were added/disposed of during the year:

	<i>Date</i>	<i>Cost</i>
<u>Additions</u>		
HP Laserjet Pro 400 Printer	23.09.2014	542
Pre Fab Platform Gas	15.10.2014	3246
Mitsubishi Triton 4x4 Ute	26.06.2015	30152
	TOTAL	\$ 33,940
<u>Disposals</u>		
Ford Territory	11.07.2014	11136
Nissan Navara Ute	26.06.2014	6173
	TOTAL	\$ 17,309

5. Trade Creditors

The examination of Trade Creditors revealed no problems this year or any omissions. Trade Creditors have increased from \$2366206 to \$351977 this year and most were paid at the time of conducting the Audit.

6. Employee Entitlements

In accordance with accounting standards and corporation's law, provisions have been made for long service leave and annual leave entitlements.

	2015	<i>Difference</i>	2014
Annual Leave Provision	20916	-4142	25058
Long Service Leave Provision	58047	7954	50093

7. Goodwill

The Goodwill of \$50000 is shown in the Balance Sheet at cost was discussed with the Manager and it was decided that this be written off over 20 years at a rate of 5%.

C. TRADING RESULTS

Turnover has increased this year by \$259995 to \$4401608, a substantial increase and with continuing benefits of having former Murray Goulburn Trading product lines.

Net Profit has increased from \$234688 to \$254084 before tax. Gross Profit on Trading has increased by \$6454 this year to \$614188.

The results are very good again this year with net profit again at its highest since 2006 during the heyday of the Tobacco Industry. The Directors and Management have been successful in ensuring the Co-operatives remains in a strong position.

As a result the Directors were able to declare to Members a Dividend of \$24010 and Rebates of \$98428.

The Table below shows a summary of the trading results:

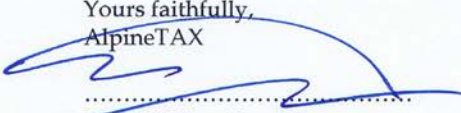
	2015	Difference	2014
	\$	\$	\$
Sales	4401608	259995	4141613
LESS: COGS	3787420	253540	3533880
Gross Profit	614188	6455	607733
ADD: Other Income	224346	12431	211915
	838534	18886	819648
LESS: Expenses	584450	-510	584960
NET PROFIT before Tax	254084	19396	234688

GENERAL

The Directors and Members should be very pleased with the results again this year and the Directors and Staff should be congratulated for their great efforts.

Finally, I would like to thank the Manager and Secretary for their cooperation during the conduct of the Audit/review.

Yours faithfully,
AlpineTAX


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Sam P Marotta GD (Accg); Fellow NTAA; RTA; JP
Registered Company Auditor

Independent Assurance Practitioner's Report

Independent assurance Practitioner's Report

To the members of TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED

Report on the financial report

We have reviewed the accompanying annual financial report of TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, which comprises the Profit & Loss Statement and Balance sheet as at 30th June 2015 and other explanatory information.

The Directors Responsibility for the financial report

The Directors of the Co-operative are responsible for the preparation of the annual financial report that gives a true and fair view in accordance with the Co-operatives National Law Application Act 2013 and the Co-operatives National Regulations 2014. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Assurance practitioner's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2400 Review of a Financial Report performed by an Assurance Practitioner who is not the Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Australian Accounting Standards. ASRE 2400 requires us to comply with the requirements of the applicable code of professional conduct of an accounting body.

A review of an annual financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.


Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the annual financial report of TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED does not present fairly, in all material respects, the TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED's financial position as at year end and of its financial performance for the year ended on that date in accordance with the Australian Accounting Standards.

Basis of accounting

The financial report has been prepared for the purpose of fulfilling The Directors reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

Dated at MYRTLEFORD this 26th day of October 2015

 (Signed)

SAM P MAROTTA - GD (Acctg); Fellow NTAA; RTA; JP

REGISTERED COMPANY AUDITOR. Reg No: 8799

Telephone: 03-57511411

NOMINATION FORM

ANY SHAREHOLDER WHO WISHES TO NOMINATE A MEMBER TO SERVE AS A DIRECTOR OF THE TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LTD AT THE ANNUAL GENERAL MEETING PLEASE FILL IN THE DETAILS BELOW AND RETURN TO SECRETARY BEFORE THURSDAY 19th NOVEMBER 2015.

(*N.B. Nomination Forms are not required for existing Directors.)

I (Name)

(Address) of,

Signed:

I (Name)

(Address) of,

Signed:

Being Shareholders in The Tobacco & Associated Farmers Co-operative, wish to nominate the following person to serve as a Director on the Board of TAFCO.

I (name)

of (address).....

.....

being a shareholder of the Tobacco & Associated Farmers Co-operative Ltd hereby accept the above nomination and will provide to members details as required under the Co-operatives National Law 2013 and according to the Rules of the Co-operative Section 47(5):-

- i. Date of Birth
- ii. Qualifications and experience
- iii. Length of any previous service as a director of the co-operative or with any other co-operative

Signed by Nominee :Dated :.....

Please return to : The Secretary
The Tobacco & Associated Farmers Co-operative,
P.O. Box 277
MYRTLEFORD. 3737.

**Or hand deliver to TAFCO Rural Supplies, 215 Myrtle St, Myrtleford
by THURSDAY 19th NOVEMBER 2015**