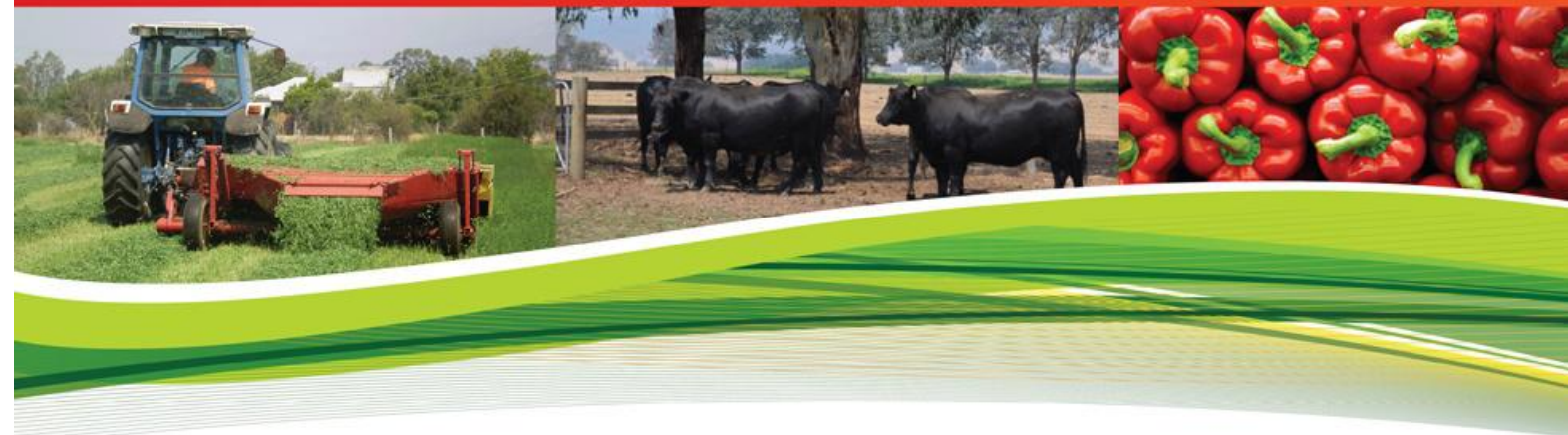


TAFCO™

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ANNUAL REPORT to MEMBERS 2015-2016

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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	retired 01.06.2016
Mr. Dan IVONE	commenced 01.06.2016

Observer Directors:

Mr. Peter WILKINSON	commenced 03.02.2016
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SECRETARY:

Ms. Kerry MURPHY

MERCHANDISING MANAGER:

Mr. Tony VACCARO

STAFF:

Mr. Glenn COUSINS
 Mr. Nick RUARO
 Mr. Gerard SACCO
 Mr. Neville BLEWETT (casual)
 Mr. James McKerral (junior casual)

AUDITOR/REVIEWER:

Mr. Sam MAROTTA

ACCOUNTANTS:

ALPINE TAX

BANKERS:

ANZ Banking Group - MYRTLEFORD BRANCH

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3.	Notice of Meeting and Agenda
4.	Minutes of previous Annual General Meeting held on 26 th November 2015
6.	Chairman's Report
7.	Directors Report
8.	Directors' Declaration
9.	Detailed Profit and Loss Statement
11.	Detailed Balance Sheet
14.	Independent Assurance Practitioner's Report
15.	Nomination Form

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 24th NOVEMBER 2016 commencing at 6.00p.m

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on Thursday 26th November, 2015
3. Business Arising
4. Chairman's Report
5. Manager's 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, A. Grassi & A.McGuffie retire and are available for re-election for a further 3 year term: *(Nomination forms on last page of report)*
D.Ivone for a 2 year term to be ratified by members
8. Ratification of Rates of Dividend, Bonus & Rebates.
At the Directors meeting held on the 1st June 2016 a motion was carried issuing a 4% dividend to members and a 4% rebate on members trading 01.04.15 to 31.03.16 be paid as a credit on members accounts on the 30th June 2016.
9. Directors Fees - Ratification
At the Directors Meeting held on the 5th October 2016 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 26th NOVEMBER 2015 AT THE MYRTLEFORD SAVOY SPORTING CLUB MYRTLEFORD WHICH COMMENCED AT 6.10p.m.

PRESENT: A.McGuffie, J.LaSpina, I.Buchanan, L.Campbell, A.Grassi, K.Heywood, D. Ivone, A.Mautone, , A.Roman, T.Vaccaro & K.Murphy

APOLOGIES: P.Dalbosco, C.McCormack, G.Cousins, P.Burrowes, T.Fraola, B.Lumsden, K.McPherson, M.Milne, R.Newton, and R & V Tomasoni.

Moved D.Ivone/A.Grassi that the apologies be accepted.

CARRIED.

MINUTES:

Moved L.Campbell/J.LaSpina that the Minutes of the Annual General Meeting, held on Thursday 27th November 2014 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 including

- Strong trading position for the year
- Delivery service continues to grow throughout the region
- Review of Trading Hours of the store
- Agency Products of increasing concern
- Retention of capital as members retire
- Feasibility Study for a Myrtleford Epicurean Farmers Market
- Into Our Hands Community Foundation Grant for a weather station to be added to the TAFCO network of regional online weather data - Rosewhite/Mudgegonga

The Board, Management and all staff members thanked for their commitment to customer service and TAFCO's business.

Moved L.Campbell/D.Ivone that the Chairman's Report be received.

CARRIED.

MANAGERS REPORT:

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

Overall sales were up by 6% from previous year Gross profit up from previous year.

The Balance Sheet shows that if the business was wound up that Shares would be worth over \$3.50 each. (an increase from \$3.20 for the previous year)

The Manager foreshadowed the loss of about 20,000 in shares over the next few years as many member's move into retirement. Shares are capped at 600,000 and management and board working on strategies to retain around this number in the future.

The Manager reiterated the importance of our partnership with Phil Ash Elders Insurance who have recently renewed their lease for another 3 years.

Staff were thanked for their dedication to ensure that we give the best customer service possible

Moved A.Grassi/J.LaSpina that the Managers report be received. CARRIED.

FINANCIAL REPORTS:

Moved A.Grassi/L.Campbell 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: L.Campbell, G.Cossignani & J.LaSpina
No new nominations were received so all were re-appointed.

Moved D.Ivone/A.Grassi that L.Campbell, G.Cossignani & J.LaSpina be appointed as Directors for a 3 year term.

CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved L.Campbell/J.LaSpina ratified that a 3% rebate on members 12 month trading from 1st April 2014 to as at the 31st of March 2015 and a 4% dividend on shares was made to Member's as a credit on their account.

CARRIED.

DIRECTORS FEES:

Members were informed that at the Directors Meeting held on 28th October 2015 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.

Move K.Heywood/A.Roman that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$150 be ratified.

CARRIED.

GENERAL BUSINESS:

Nil

MEETING CLOSED 6.30p.m:

.....
Chairman dated

CHAIRMANS REPORT.

It is with great pleasure that I present the TAFCO Chairman's Report for the 2015-16 Year.

Once again, it has been a busy and very successful trading year which is reflected in the Financial Statements. TAFCO's current trading position continues to remain strong and has had steady growth over the year. Turnover increased by \$386,241 to \$4,787,849 which Directors issued a 4% rebate on trading and a 4% dividend on shares which was paid as a credit on members accounts in June 2016.

Strong cattle prices have been reflected in member's sales and our on farm delivery service continues to be an important part of our business with scheduled deliveries throughout the Ovens King, Kiewa valleys and Beechworth/Stanley area

Committed to OH&S the store has had some improvements with the introduction of portable bollards and chain to restrict movement in the forklift area of the shed. Tony, Glenn and Gerard all attended AgSafe re-accreditation courses and Nick attended pool school with Bioguard. The forklift was updated and a drumlifter has been purchased to be installed on the truck to assist with unloading on farm.

Farmer training and workshops covered diverse area last year including the AgVet Chemical Course and Refreshers, Soil Health, Equine Workshops, Ladies Bus Trip to the Melbourne International Garden and Flower Show, Exporting for the North East Producers Workshop and a farmer pasta night at REMEL 185 through the Look Over the Farm Gate program were just some of TAFCO's offerings during the year.

Strengthening partnerships and securing outside funds add to TAFCO's suite of services to the community. The feasibility study to establish an Accredited Farmers Market for Myrtleford enabled TAFCO to gain start-up funding from Regional Development Victoria to establish the first market in October 2016. Partnered by the Alpine Shire, the Myrtleford Chamber of Commerce and Into Our Hands Community Foundation the market was well received by the community, supported by a diverse group of stallholders and has had necessary planning to ensure future sustainability and longevity. One of the long term goals of the market was to be an incubator and support new business ventures – already we have two new businesses commence and open at the first market and seven stallholders new to the 'market' scene with Myrtleford being their first farmers market.

A new weather station was added to the TAFCO network in January 2016, with online local weather data for the Rosewhite-Mudgegonga. An application to Into Our Hands Community Foundation had significant local support for this project driven by the community.

TAFCO successfully attracted NLP funding for 2016-2017. "Farm Smart - Adoption of Sustainable Practices in the Ovens, King & Kiewa Valleys" will target local new and emerging agricultural industries. Farm Smart will be used as a resource to support these new and emerging industries and this project will support landholders through a range of activities including workshops, field days and training events that promote soil health and sustainable production.

To the Board of Directors, thank you for your contributions, continually exploring new ideas to grow the business and provide direction to the Management team of Tony Vaccaro & Kerry Murphy. Welcome to Peter Wilkinson, TAFCO's newest observer director who brings with him a wealth of retail knowledge to our business. Thank you to Nino Mautone for your dedicated service as a Director, retiring after 25 years of service, TAFCO wishes you well. Congratulations to all our staff who are a great team who take pride in friendly customer service -

Finally I thank each of you, our many loyal members and customers, for contributing to another successful year of trading and one which we aim to grow in 2017.

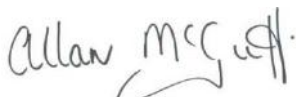
Allan McGuffie - Chairman

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 2016:-

- (a) The names of the directors in Office for the period of this Report 01.07.15 to 30.06.16 are; Allan McGuffie , Joe LaSpina, Lachlan Campbell, Guido Cossignani, Paul Dalbosco, Angelo Grassi, Dan Ivone & 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 2016, was an operating profit before income tax of 292,732 (previous years \$254,083)
- (d) A total of 599,021 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 4% dividend (\$23,961) & a 4% rebate on trading (\$145,271) which was paid on the 30th June 2016.
- (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 5th October 2016



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 2015 to 30th June 2016, 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 2015 to 30th June 2016; 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 5th October 2016

ON BEHALF OF THE BOARD.



ALLAN McGUFFIE



JOE LaSPINA

Detailed Profit and Loss Statement 2014-2015 2015-2016

Revenue		
Sales	\$ 4,401,608.02	\$ 4,787,849.11
Rounding	\$ -	
Total Revenue	\$ 4,401,608.02	\$ 4,787,849.11
Cost of Goods Sold		
Purchases	\$ 3,693,043.23	\$ 4,160,928.09
Inwards Freight	\$ 42,235.64	\$ 55,971.29
Stock Movement	\$ 52,141.42	-\$ 87,653.78
Total Cost of Goods Sold	\$ 3,787,420.29	\$ 4,129,245.60
Trading Gross Profit	\$ 614,187.73	\$ 658,603.51
Other Income		
Interest Received - Debtors	\$ 8,265.48	\$ 7,657.89
Profit/Loss on Sale of Fixed Asset	-\$ 16.00	\$ 2,669.25
Project Funding	\$ 6,270.24	\$ 36,884.32
Rebates-Merchandise	\$ 106,535.06	\$ 118,405.03
Rebates-Fuel	\$ 666.00	\$ 672.18
Rebates-Insurance	\$ 26,752.20	\$ 25,181.04
Rent Received	\$ 20,799.96	\$ 21,449.96
Interest Received - Bank	\$ 10,017.54	\$ 8,319.23
Dividends-Incitec Shares	\$ 496.84	\$ 632.75
Dividends-AIRR Shares	\$ 33,213.58	\$ 39,856.29
Training Income	\$ 11,345.00	\$ 6,770.00
Wages Reimbursement	\$ -	\$ 2,500.00
Total Other Income	\$ 224,345.90	\$ 270,997.94
Total Gross Profit	\$ 838,533.63	\$ 929,601.45

Detailed Profit and Loss Statement

Expenses	2014-2015	2015-2016
Accounting	\$ 2,250.00	\$ 2,250.00
Advertising	\$ 11,103.51	\$ 10,661.69
A.G.M. Expenses	\$ 129.18	\$ 153.59
Amenities	\$ 2,395.80	\$ 2,037.20
Audit Fees	\$ 6,500.00	\$ 7,000.00
Ammortisation - Goodwill	\$ 2,500.00	\$ 2,500.00
Bad Debts	\$ -	
Bank Charges	\$ 9,043.44	\$ 9,939.87
Chairmans Allowance	\$ 8,000.04	\$ 8,000.04
Cleaning	\$ 8,828.44	\$ 10,966.67
Consultants Fees	\$ 200.00	
Computer Training & Support	\$ 13,025.82	\$ 13,908.40
Debt Collection Expenses	\$ 100.00	
Depreciation - Plant	\$ 11,622.00	\$ 22,676.00
Directors Expenses	\$ 4,950.00	\$ 4,600.00
Donations	\$ -	\$ 20.00
Doubtful Debts	\$ 2,410.00	-\$ 8,252.00
Electricity/Heating-215 Myrtle	\$ 7,519.03	\$ 5,910.49
Entertainment	\$ 994.37	\$ 640.55
Entertainment-VFF/Project Funding	\$ 382.40	\$ 119.30
Farmers Training Courses	\$ 8,672.73	\$ 1,708.36
Forklift-Repairs & Maintenance	\$ 5,483.78	\$ 3,852.90
Fringe Benefits Tax	\$ 825.00	
Insurance - General	\$ 14,069.69	\$ 14,535.64
Interest - Overdraft	\$ 188.05	\$ 40.20
Licences,Regos,Permits	\$ 654.53	\$ 850.53
Medical Expenses	\$ 37.80	
Membership-V.F.F.	\$ 646.37	\$ 542.73
Member Fees-A.I.R.R.	\$ 6,200.00	\$ 6,199.92
Motor Vehicle - Fuel	\$ 5,202.49	\$ 4,020.66
Motor Vehicle - Running Costs	\$ 573.68	\$ 2,329.62
Motor Vehicle-Interest on Loan	\$ 2,071.44	\$ 2,071.44
Open Day Expenses	\$ 48.91	\$ 765.00
Postage	\$ 4,630.18	\$ 5,077.82
Printing And Stationery	\$ 6,178.36	\$ 6,256.41
Project Funding Expenses	\$ 6,270.24	\$ 22,528.54

Detailed Profit and Loss Statement**2014-2015****2014-2015**

	2014-2015	2014-2015
Rates & Taxes-215 Myrtle St	\$ 6,848.42	\$ 7,156.94
Rates & Taxes-231 Myrtle St	\$ 3,883.14	\$ 4,056.52
Repairs & Maintenance - Plant	\$ 1,416.62	\$ 1,434.48
Repairs & Maint.-215 Myrtle St	\$ 2,060.76	\$ 6,275.05
Repairs & Maint.-231 Myrtle St	\$ -	\$ 685.00
Replacements	\$ 224.99	\$ 620.57
Security	\$ 1,614.00	\$ 1,564.00
Seminars & Conferences	\$ 40.00	\$ 281.91
Signwriting	\$ 2,975.00	
Special Write Off Building	\$ 18,104.00	\$ 11,593.00
Subscriptions	\$ 537.55	\$ 564.09
Superannuation - Staff	\$ 51,986.05	\$ 57,988.08
Superannuation – Project Funding		\$ 749.28
Staff Training	\$ 975.00	\$ 1,924.55
Telephone	\$ 11,793.81	\$ 13,456.69
Travelling & Accommodation	\$ 819.32	\$ 2,332.79
Travelling & Accommodation-VFF	\$ 749.17	\$ 1,240.00
Truck - Fuel	\$ 10,319.50	\$ 11,299.76
Truck - Lease	\$ 13,975.32	\$ 13,975.32
Truck - Running Costs	\$ 4,680.04	\$ 5,158.96
Uniforms	\$ 960.91	\$ 1,132.72
Utility - Fuel (Nissan)	\$ 1,504.87	\$ 2,220.08
Utility - Running Exp (Nissan)	\$ 950.11	\$ 929.48
Utility - Fuel (Ford)	\$ 2,508.22	\$ 2,527.07
Utility Running Exp (Ford)	\$ 1,431.16	\$ 824.94
Wages	\$ 284,832.16	\$ 303,720.25
Wages – Project Funding		\$ 7,887.20
Web Page Setup & Maintenance	\$ 863.18	\$ 6,068.18
Workcover	\$ 4,689.15	\$ 5,291.18
Total Expenses	\$ 584,449.73	\$ 636,869.66
Net Profit / (Loss)	\$ 254,083.90	\$ 292,731.79

Detailed Balance Sheet**2014-15****2015-2016**

Current Assets		
Cash on Hand	\$ 600.00	\$ 600.00
Petty Cash	\$ 200.00	\$ 200.00
Trade Debtors	\$ 279,819.77	\$ 197,301.36
Less: Provision Doubtful Debts	-\$ 27,982.00	-\$ 19,730.00
Other Debtors	\$ 9,780.00	\$ 10,120.89
A.N.Z. Term Deposit	\$ 267,655.32	\$ 275,282.58
Business Online Saver Account	\$ 53,706.48	\$ 254,398.45
A.N.Z. Account 47723-Chq. A/C	\$ 123,809.72	\$ 87,246.19
Inventory	\$ 534,876.80	\$ 622,530.58
GST Purchases		\$ 280.00
Shares - Incitec Pivot	\$ 15,631.00	\$ 12,328.00
Shares - A.I.R.R.	\$ 352,462.00	\$ 352,462.00
Less: Provision for Ammort.	-\$ 2,500.00	
Loan A/C-Members re GST	\$ 18,616.68	\$ 18,496.23
Less: Provision for Ammort.	-\$ 2,500.00	-\$ 7,500.00
Total Current Assets	\$ 1,624,175.77	\$ 1,804,016.28
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	-\$ 171,382.00	-\$ 182,975.00
Build. 231 Myrtle-Shed Part.	\$ 4,250.00	\$ 4,250.00
Plant & Equipment @ Cost	\$ 259,679.76	\$ 282,704.30
Less: Accumulated Depreciation	-\$ 142,920.00	-\$ 152,304.00
Land 215 Myrtle St @ Dir. Val.	\$ 213,000.00	\$ 213,000.00
Debtor Opening Balances	\$ -	
Total Fixed Assets	\$ 970,494.51	\$ 967,542.05
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	\$ 2,644,670.28	\$ 2,821,558.33

Detailed Balance Sheet**2014-15****2015-2016**

Current Liabilities		
Prepaid Income – Project Funding	\$ -	\$ 54,957.62
Provision for Income Tax	\$ 8,618.51	-\$ 10,522.16
Pay As You Go Instalment	\$ -	
Trade Creditors	\$ 349,155.72	\$ 405,320.88
Accrued Creditors	\$ 2,821.81	\$ 18,753.65
Provision for Annual Leave	\$ 20,916.00	\$ 20,127.00
Provision for Long Service	\$ 58,047.00	\$ 60,998.00
GST Sales	\$ -	
BAS Invoice Rounding	\$ 0.02	
Total Current Liabilities	\$ 439,559.06	\$ 549,634.99
Long Term Liabilities		
Suspense Account-GST	\$ -	
Suspense Account-Clearing	\$ 20,041.00	\$ 19,721.00
Suspense A/c-Project Funding	\$ -	
Bank Reconciliation Variance	\$ -	
Loan Esanda-Chatel Mortgage	\$ 51,532.85	\$ 41,305.13
Unexpired Interest-Esanda	-\$ 6,042.11	-\$ 3,970.67
Total Long Term Liabilities	\$ 65,531.74	\$ 57,055.46
Total All Liabilities	\$ 505,090.80	\$ 606,690.45
Income Tax Expense	-\$ 41,379.90	-\$ 35,552.40
Members Rebate	-\$ 98,428.01	-\$ 145,270.61
Members Dividend	-\$ 24,010.80	-\$ 23,960.84
Transfer General Reserve	-\$ 10,635.00	-\$ 12,859.00
Under provision Income Tax		-\$ 3,145.54
Long Service Leave	-\$ 7,954.00	-\$ 2,951.00
Annual Leave	\$ 4,142.00	\$ 789.00
Bonus Share Issue	\$ -	
Ordinary Shares - Fully Paid	\$ 600,270.00	\$ 599,021.00
Retained Profits/Losses	-\$ 204,128.10	-\$ 382,393.81
Capital Profit Reserve	\$ 41,170.15	\$ 41,170.15
General Reserve	\$ 200,305.00	\$ 213,164.00
Asset Revaluation Reserve	\$ 731,657.07	\$ 728,354.07
Profit & Loss Brought Forward	\$ 813,018.23	\$ 1,171,195.34
Current Year Profit & Loss	\$ 135,552.84	\$ 67,307.53
Total All Equity	\$ 2,139,579.48	\$ 2,214,867.88

Independent Auditors Review 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 2016 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.

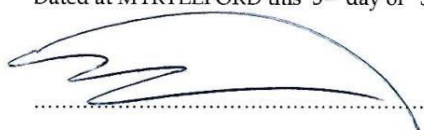
Conclusion

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 5th day of September 2016


..... (Signed)

SAM P MAROTTA – Post GRAD (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 WEDNSEDAY 23rd NOVEMBER 2016.

(*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 Farmer’s 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 Farmer’s 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 Farmer’s Co-operative,
P.O. Box 277
MYRTLEFORD. 3737.

**Or hand deliver to TAFCO Rural Supplies, 215 Myrtle St, Myrtleford
by WEDNSEDAY 23RD NOVEMBER 2016**