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MYRTLEFORD
**FARMERS
MARKET**
PRIMARY PRODUCER PROUD

ANNUAL REPORT
2016 - 2017

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. Dan IVONE

Observer Directors:

Mr. Peter WILKINSON
Mrs. Katrina BENDEMAN

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 MCKERRALL (junior casual)

AUDITOR/REVIEWER:

Mr. Sam MAROTTA

ACCOUNTANTS:

ALPINE TAX

BANKERS:

ANZ Banking Group - MYRTLEFORD BRANCH

Page: CONTENTS:

1. Notice of Meeting and Agenda
2. Minutes of previous Annual General Meeting held on 24th November 2016
4. Chairman's Report
6. Directors Report
7. Directors' Declaration
8. Detailed Profit and Loss Statement
11. Detailed Balance Sheet
13. Independent Assurance Practitioner's Report
14. 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 REMEL 185, 399 WHOROULY ROAD, WHOROULY ON THURSDAY 30th NOVEMBER 2017 commencing at 6.00p.m (*Followed by a dinner - RSPV's required*)

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on Thursday 24th November, 2016
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, P. Dalbosco & D.Ivone retire and are available for re-election for a further 3 year term: (*Nomination forms on last page of report*)
8. Ratification of Rates of Dividend, Bonus & Rebates.
At the Directors meeting held on the 7th June 2017 a motion was carried issuing a 4% dividend to members and a 3.5% rebate on members trading 01.04.16 to 31.03.17 be paid as a credit on members accounts on the 30th June 2017.
9. Directors Fees - Ratification
At the Directors Meeting held on the 4th October 2017 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 24th NOVEMBER 2016 AT THE MYRTLEFORD SAVOY SPORTING CLUB MYRTLEFORD WHICH COMMENCED AT 6.15p.m.

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

APOLOGIES: P.Dalbosco, A.Grassi, C.McCormack, P.Wilkinson

Moved D.Ivone/G.Cossignani that the apologies be accepted.

CARRIED.

MINUTES:

Moved N.Mautone/D.Ivone that the Minutes of the Annual General Meeting, held on Thursday 26th November 2016 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 - healthy cattle prices reflected in member sales
- Delivery service continues to grow throughout the region
- OH&S commitment
- Farmer Training and Workshops
- Establishment Myrtleford Farmers Market
- Into Our Hands Community Foundation Grant for a weather station added to the TAFCO network of regional online weather data - Rosewhite/Mudgegonga
- NLP funding for 2016-17 sustainability project "Farm Smart - adoption of sustainable practices in the oven King & Kiewa Valleys"

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

Moved L.Campbell/G.Cossignani that the Chairman's Report be received.

CARRIED.

MANAGERS REPORT:

Manager Tony Vaccaro spoke to the Audited Financial accounts and outlined that TAFCO had a busy and very successful years trade.

Overall sales were up by 8% from previous year Gross profit up from previous year with an increase in profit by 15%.

The Balance Sheet shows that the business net worth is just over \$2.2million or \$3.69 per share an increase from \$3.50 for the previous year - in the event the co-operative wound up.

The Manager reflected on some of the achievements over the past 30 years since TAFCO was first formed in 1897 when there were 4 competitors in town. Today we stand alone, which is testimony that we must be doing something right.

Staff were thanked for their dedication to ensure that we give the best customer service possible and providing an extended delivery service to the region.

Schools, sporting organisations and service clubs throughout the area have benefited from donations, advertising and goods donated.

This financial year a couple of significant contributions are worth noting: Alpine Valleys Vignerons (\$1,000), Myrtleford Farmers Market (\$2,000) and Online Weather Station Upgrade (\$2,500)

In January 2016 TAFCO said goodbye to our truck driver of nearly 9 years Tony LaSpina and welcomed Neville Blewett to the team formerly from Murray Goulburn in Wangaratta

The Manager thanked all the Staff, probably TAFCO's greatest asset for their efforts throughout the year, for working hard to make sure members are well serviced.

In closing, the Manager reminded members that "TAFCO is a farmers co-operative which was formed in 1987 by farmers (at the time mainly tobacco farmers) to operate as an agricultural merchandising co-operative to service primary producers. The co-operative profits are to be retained in the local communities and equitably distributed amongst members"

Nearly 30 years and I can honestly say this has been well and truly achieved and carried out and hope to continue in the future.

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: A.Grassi & A.McGuffie (3 year term) D.Ivone (2 year term - having filled vacancy during the year after retirement of N.Mautone) No new nominations were received.

Moved K.Bendeman/K.Heywood that A.Grassi & A. McGuffie be appointed as Directors for a 3 year term and D.Ivone for a two year term CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved D.Ivone/L.Campbell ratified that a 4% rebate on members 12 month trading 1st April 2015 to as at the 31st of March 2016 and a 4% 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 5th October 2016 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 N.Mautone/K.Heywood that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$150 be ratified. CARRIED.

GENERAL BUSINESS: Nil

The Chairman thanked Nino Mautone for his years of service having commenced in 1991 as a Director and Nino thanked the Chairman, Board and members of TAFCO.

MEETING CLOSED 6.40p.m:

CHAIRMANS REPORT.

It is with great pleasure that I present the TAFCO Chairman's Report for the 2016-17 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 \$149,563 to \$4,937,412 just short of \$5million. Directors issued a 3.5% rebate on trading and a 4% dividend on shares which was paid as a credit on members accounts in June 2017.

A healthy cattle market enabled many farms to invest in their pastures and infrastructure which was reflected in increased sales.

The Farm Smart project has worked with farmers and successfully conducted a range of workshops throughout the Ovens, King and Kiewa Valleys. Farm Smart - Adoption of Sustainable Practices in the Ovens, King & Kiewa Valleys" has worked with local new and emerging agricultural industries. - Saffron, Capers, Pumpkin Seed, Hazelnuts, Berries just to name a few. The FarmSmart project has supported landholders through a range of activities including workshops, field days and training events that promote soil health and sustainable production including the AgVet Chemical Course and Refreshers, Soil Health, Farm Energy Assessment Workshop, Climate Change, Farm biosecurity, Ladies Bus Trip to the Melbourne International Garden and Flower Show, Pasture regeneration and Cattle ReproActive have been conducted during the year .

Partnered by the Alpine Shire, the Myrtleford Chamber of Commerce and Into Our Hands Community Foundation, in September 2017, TAFCO launched the first accredited Farmers Market in Myrtleford. Supported by a diverse group of stallholders, the Farmers Market has been successful in its first year of operation. The market has proven to be more than 'just another market' - there is a wonderful sense of community. TAFCO's inherited 'Primary Producer Proud' slogan from the old tobacco days has now been trade marked for use by TAFCO Rural Supplies and the Myrtleford Farmers Market.

Another two new weather stations have been added to the TAFCO network in 2017, with online local weather data for Talgarno and Towong. Originally part of the Upper Murray Agribusiness Group network these two automatic weather stations have been given a new lease on life with the assistance of UMAG and the North East Catchment Management Authority.

Looking to the next five years, the TAFCO board has undertaken a strategic planning process to establish a five-year growth plan that builds value and sustainability into TAFCO. The development of a strategic plan ensures the board and executive have clarity and alignment on key strategic platforms and addresses resourcing requirements for undertaking any supporting initiatives.

The board's commitment to staff safety, satisfaction, development and succession is paramount to the success and sustainability of TAFCO and key improvement projects have been identified. Making changes to the store layout and new product ranges will create an more customer friendly layout within the TAFCO building servicing a wider customer base.

TAFCO will continue to develop its industry and communities through social responsibility programs with a focussed approach to selecting projects that are prioritised for social and commercial benefit and which are proportional to TAFCO's capacity to build value in core operations.

TAFCO will continue to work closely with its wholesaler AIRR to seek productivity improvements and build value in the partnership as well as seek new collaborative partnerships that build productivity and value into TAFCO's business and community.

On behalf of the Board I would like to share with you our vision and values as we reflect on thirty years trading and embark on the future of the co-operative

OUR VISION

That TAFCO is a uniquely positioned agri-business co-operative serving regional communities

OUR VALUES

To achieve our Vision, we believe that every action, by every person, every day must demonstrate the values we hold important. Our culture reflects the behaviours we hold ourselves and our teammates accountable to. Our values are:

Our **CUSTOMER** comes first

We listen to our customers and we seek every possible way to provide solutions to their needs.

We **RESPECT** each other

We value the diverse experience and skill that each team member brings to work and we support each other to improve as people and professionals.

We **CARE** for the community

We understand the needs of our communities and seek opportunities to use our resources to serve and support our community's best interest.

We are **SAFE**

We provide a safe environment for our workers and customers

We act with **SPEED**

We are diligent in evaluating opportunities and tasks and we act with urgency to deliver successful outcomes on time and in full.

We are **HONOURABLE**

We are honest and fair in all our dealings.

We are **LEADERS**

To best serve we must be leaders in both thought and action.

To the Board of Directors and Management team Tony Vaccaro & Kerry Murphy, thank you for your contributions, continually exploring new ideas to grow the business. To our staff, a great team - thank you for your input and hard work over the past year.

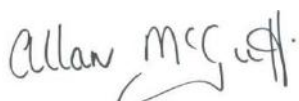
Finally I thank each of you, our many loyal members and customers, for contributing to another successful year of trading and one which we aim to grow in 2018.

Allan McGuffie - Chairman

DIRECTORS REPORT:

- (a) The names of the directors in Office for the period of this Report 01.07.16 to 30.06.17 are; Allan McGuffie, Joe LaSpina, Lachlan Campbell, Guido Cossignani, Paul Dalbosco, Angelo Grassi and Dan Ivone 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 2017, was an operating profit before income tax of \$322,227 (previous years \$292,732)
- (d) A total of 586,192 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 4% dividend (\$23,457) & a 3.5% rebate on trading (\$128,099) which was paid on the 30th June 2017.
- (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 or 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 4th October 2017



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 2016 to 30th June 2017, are prepared in accordance with the *Co-operatives National Law Application Act 2013 and Co-operatives National Law (Victoria) Local Regulations 2014*, and:

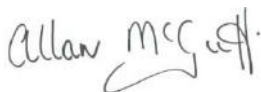
give a true and fair view of the state of affairs of the Co-Operative for the financial year 1st July 2016 to 30th June 2017; and comply with applicable accounting standards.

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 4th October 2017

ON BEHALF OF THE BOARD.



ALLAN McGUFFIE



JOE LaSPINA

Detailed Profit and Loss Statement**2015-2016****2016-2017**

Revenue		
Sales	\$ 4,787,849.11	\$ 4,937,412.57
Rounding		
Total Revenue	\$ 4,787,849.11	\$ 4,937,412.57
Cost of Goods Sold		
Purchases	\$ 4,160,928.09	\$ 4,273,880.76
Inwards Freight	\$ 55,971.29	\$ 58,201.25
Stock Movement	-\$ 87,653.78	-\$ 98,498.67
Total Cost of Goods Sold	\$ 4,129,245.60	\$ 4,233,583.34
Trading Gross Profit	\$ 658,603.51	\$ 703,829.23
Other Income		
Farmers Market Site Fees	\$ 0.00	\$ 9,735.99
Interest Received - Debtors	\$ 7,657.89	\$ 7,488.02
Profit/Loss on Sale of Fixed Asset	\$ 2,669.25	\$ 0.00
Project Funding	\$ 36,884.32	\$ 78,991.07
Rebates-Merchandise	\$ 118,405.03	\$ 110,742.10
Rebates-Fuel	\$ 672.18	\$ 89.74
Rebates-Insurance	\$ 25,181.04	\$ 27,619.20
Rent Received	\$ 21,449.96	\$ 20,799.96
Interest Received - Bank	\$ 8,319.23	\$ 8,627.88
Dividends-Incitec Shares	\$ 632.75	\$ 353.22
Dividends-AIRR Shares	\$ 39,856.29	\$ 50,484.63
Training Income	\$ 6,770.00	\$ 5,645.00
Wages Reimbursement	\$ 2,500.00	\$ 0.00
Total Other Income	\$ 270,997.94	\$ 320,576.81
Total Gross Profit	\$ 929,601.45	\$ 1,024,406.04

Detailed Profit and Loss Statement **2015-2016** **2016-2017**

Expenses		
Accounting	\$ 2,250.00	\$ 2,150.00
Advertising	\$ 10,661.69	\$ 11,594.61
A.G.M. Expenses	\$ 153.59	\$ 1,331.30
Amenities	\$ 2,037.20	\$ 2,155.02
Audit Fees	\$ 7,000.00	\$ 7,000.00
Ammortisation - Goodwill	\$ 2,500.00	\$ 2,500.00
Bad Debts		
Bank Charges	\$ 9,939.87	\$ 10,105.99
Chairmans Allowance	\$ 8,000.04	\$ 8,000.04
Cleaning	\$ 10,966.67	\$ 11,387.73
Computer Training & Support	\$ 13,908.40	\$ 12,132.18
Depreciation - Plant	\$ 22,676.00	\$ 21,703.00
Directors Expenses	\$ 4,600.00	\$ 9,900.00
Directors Training/Workshop	\$ 0.00	\$ 1,921.15
Donations	\$ 20.00	\$ 0.00
Doubtful Debts	-\$ 8,252.00	\$ 7,959.00
Electricity/Heating-215 Myrtle	\$ 5,910.49	\$ 6,108.04
Entertainment	\$ 640.55	\$ 544.13
Entertainment-VFF/Project Funding	\$ 119.30	\$ 0.00
Farmers Market Expenses	\$ 0.00	\$ 9,476.65
Farmers Training Courses	\$ 1,708.36	\$ 4,770.80
Forklift-Repairs & Maintenance	\$ 3,852.90	\$ 4,261.04
Insurance - General	\$ 14,535.64	\$ 15,600.27
Interest - Overdraft	\$ 40.20	\$ 113.10
Licences,Regos,Permits	\$ 850.53	\$ 683.70
Membership-V.F.F.	\$ 542.73	\$ 698.64
Member Fees-A.I.R.R.	\$ 6,199.92	\$ 6,199.92
Motor Vehicle - Fuel (Ranger)	\$ 4,020.66	\$ 3,745.66
Motor Vehicle - Running Costs (Ranger)	\$ 2,329.62	\$ 1,311.56
Motor Vehicle-Interest on Loan (Ranger)	\$ 2,071.44	\$ 2,071.44
Open Day Expenses	\$ 765.00	\$ 0.00
Postage	\$ 5,077.82	\$ 5,885.06
Printing And Stationery	\$ 6,256.41	\$ 7,061.63
Printer/Copier Rental	\$ 0.00	\$ 575.79
Project Funding Expenses	\$ 22,528.54	\$ 69,148.12

Detailed Profit and Loss Statement	2015-2016	2016-2017
Rates & Taxes-215 Myrtle St	\$ 7,156.94	\$ 7,431.33
Rates & Taxes-231 Myrtle St	\$ 4,056.52	\$ 3,972.31
Repairs & Maintenance - Plant	\$ 1,434.48	\$ 1,157.22
Repairs & Maint.-215 Myrtle St	\$ 6,275.05	\$ 6,677.75
Repairs & Maint.-231 Myrtle St	\$ 685.00	\$ 0.00
Replacements	\$ 620.57	\$ 1,045.45
Security	\$ 1,564.00	\$ 1,664.00
Seminars & Conferences	\$ 281.91	\$ 0.00
Signwriting		\$ 159.00
Special Write Off Building	\$ 11,593.00	\$ 11,535.00
Subscriptions	\$ 564.09	\$ 320.00
Superannuation - Staff	\$ 57,988.08	\$ 57,212.43
Superannuation – Project Funding	\$ 749.28	\$ 696.09
Staff - Bonus (Profit Sharing)	\$ 0.00	\$ 4,724.39
Staff Training	\$ 1,924.55	\$ 0.00
Telephone	\$ 13,456.69	\$ 11,766.15
Travelling & Accommodation	\$ 2,332.79	\$ 1,261.02
Travelling & Accommodation-VFF	\$ 1,240.00	\$ 1,120.33
Truck - Fuel	\$ 11,299.76	\$ 8,994.11
Truck - Lease	\$ 13,975.32	\$ 13,975.32
Truck - Running Costs	\$ 5,158.96	\$ 4,809.28
Uniforms	\$ 1,132.72	\$ 445.45
Utility - Fuel (Mitsubishi)	\$ 2,220.08	\$ 1,945.37
Utility - Running Exp (Mitsubishi)	\$ 929.48	\$ 872.34
Utility - Fuel (Ford)	\$ 2,527.07	\$ 2,727.64
Utility Running Exp (Ford)	\$ 824.94	\$ 1,311.12
Wages	\$ 303,720.25	\$ 289,463.47
Wages – Project Funding	\$ 7,887.20	\$ 9,688.90
Web Page Setup & Maintenance	\$ 6,068.18	\$ 3,322.27
Workcover	\$ 5,291.18	\$ 5,804.98
Total Expenses	\$ 636,869.66	\$ 702,178.30
Net Profit / (Loss)	\$ 292,731.79	\$ 322,227.74

Detailed Balance Sheet		2015-2016	2016-2017
Current Assets			
Cash on Hand		\$ 600.00	\$ 600.00
Petty Cash		\$ 200.00	\$ 200.00
Trade Debtors		\$ 197,301.36	\$ 276,889.71
Less: Provision Doubtful Debts		-\$ 19,730.00	-\$ 27,689.00
Other Debtors		\$ 10,120.89	\$ 10,883.37
A.N.Z. Term Deposit		\$ 275,282.58	\$ 282,797.19
Business Online Saver Account		\$ 254,398.45	\$ 155,511.72
A.N.Z. Account 47723-Chq. A/C		\$ 90,326.19	\$ 262,014.08
Inventory		\$ 622,530.58	\$ 721,029.25
Shares - Incitec Pivot		\$ 12,328.00	\$ 13,845.00
Shares - A.I.R.R.		\$ 352,462.00	\$ 528,229.00
Less: Provision for Ammort.			
Loan A/C-Members re GST		\$ 18,496.23	\$ 12,327.23
Less: Provision for Ammort.		-\$ 7,500.00	-\$ 10,000.00
Total Current Assets		\$ 1,806,816.28	\$ 2,226,637.55
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		-\$ 182,975.00	-\$ 194,510.00
Build. 231 Myrtle-Shed Part.		\$ 4,250.00	\$ 4,250.00
Plant & Equipment @ Cost		\$ 282,704.30	\$ 285,567.94
Less: Accumulated Depreciation		-\$ 152,304.00	-\$ 179,007.00
Land 215 Myrtle St @ Dir. Val.		\$ 213,000.00	\$ 213,000.00
Total Fixed Assets		\$ 967,542.05	\$ 937,167.69
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		\$ 2,824,358.33	\$ 3,213,805.24

Detailed Balance Sheet

2015-2016

2016-2017

Current Liabilities					
	Prepaid Income – Project Funding	\$	54,957.62	\$	31,572.73
	Provision for Income Tax	-\$	10,522.16	\$	11,607.96
	Trade Creditors	\$	405,320.88	\$	531,352.79
	Accrued Creditors	\$	18,753.65	\$	13,094.41
	Provision for Annual Leave	\$	20,127.00	\$	20,414.00
	Provision for Long Service	\$	60,998.00	\$	67,160.00
Total Current Liabilities		\$	549,634.99	\$	675,201.89
Long Term Liabilities					
	Suspense Account-GST				
	Suspense Account-Clearing	\$	19,721.00	\$	13,041.00
	Suspense A/c-Project Funding				
	Bank Reconciliation Variance				
	Loan Esanda-Chattel Mortgage	\$	41,305.13	\$	31,077.41
	Unexpired Interest-Esanda	-\$	3,970.67	-\$	1,899.23
Total Long Term Liabilities		\$	57,055.46	\$	42,219.18
Total All Liabilities		\$	606,690.45	\$	717,421.07
	Income Tax Expense	-\$	35,552.40	-\$	49,960.35
	Members Rebate	-\$	145,270.61	-\$	128,099.42
	Members Dividend	-\$	23,960.84	-\$	23,457.68
	Transfer General Reserve	-\$	12,859.00	-\$	13,613.00
	Under provision Income Tax	-\$	3,145.54	\$	0.00
	Long Service Leave	-\$	2,951.00	-\$	6,162.00
	Annual Leave	\$	789.00	-\$	287.00
	Bonus Share Issue				
	Ordinary Shares - Fully Paid	\$	599,021.00	\$	586,192.00
	Retained Profits/Losses	-\$	382,393.81	-\$	605,344.20
	Capital Profit Reserve	\$	41,170.15	\$	41,170.15
	General Reserve	\$	213,164.00	\$	226,777.00
	Asset Revaluation Reserve	\$	728,354.07	\$	905,638.07
	Profit & Loss Brought Forward	\$	1,171,195.34	\$	1,563,530.60
Total All Equity		\$	2,217,667.88	\$	2,496,384.17

Independent Auditors Review Report

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Report on the financial report

We have reviewed the accompanying financial report of TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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.

Auditor'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 2415 requires us to comply with the requirements of the applicable code of professional conduct of an accounting body.

A review of a 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 review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, would be in the same terms if given to the directors as at the time of this auditor's report.

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 25th day of September 2017



..... (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 WEDNESDAY 29th NOVEMBER 2017.

(*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 WEDNESDAY 29th NOVEMBER 2017**