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TAFCOTM RURAL SUPPLIES

ANNUAL REPORT to MEMBERS 2017-2018



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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. Dan IVONE

Observer Directors:

Mr. Peter WILKINSON (until June 2018)
Mrs. Katrina BENDEMAN

SECRETARY:

Ms. Kerry MURPHY

MERCHANDISING MANAGER:

Mr. Tony VACCARO

STAFF:

Mr. Glenn COUSINS
Mr. Nick RUARO (until October 2017)
Mr. Gerard SACCO
Mr. Neville BLEWETT (casual)
Mr. James MCKERRAL (casual)
Ms. Taneka MACKAY (trainee Certificate in Agriculture 01.12.2017)

MYRTLEFORD FARMERS MARKET CO-ORDINATOR

Mrs. Franca NORRIS

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 for the ANNUAL GENERAL MEETING of the TOBACCO & ASSOCIATED FARMERS CO-OPERATIVE LIMITED, to be held at CLUB SAVOY, 242 Great Alpine Rd Myrtleford on TUESDAY 27th NOVEMBER 2018 commencing at 5.30p.m followed by light refreshments

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on Thursday 30th November, 2017
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, L.Campbell, G.Cossignani & J.LaSpina 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 6th June 2018 a motion was carried issuing a 4% dividend to members and a 3.5% rebate on members trading 01.04.17 to 31.03.18 be paid as a credit on members accounts on the 30th June 2018.
9. Directors Fees - Ratification
At the Directors Meeting held on the 3rd October 2018 directors reviewed Directors Fees and recommend that the Chairman's Annual Allowance remain at \$8,000 per annum and the Directors Sitting Fee- Day Allowance remain at \$150 per day.

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 30th NOVEMBER 2017 AT REMEL 185 WHOROUPLY ROAD WHOROUPLY WHICH COMMENCED AT 6.05p.m.

PRESENT: A.McGuffie, A.Grassi, G.Cossignani, D. Ivone, A & K Bendeman, P.Wilkinson, G.&A Barel, Julie Carroll, Julian Carroll, K.&J. Clemens, N.Ferguson, L.&C. Fraser, R. & F. Gaspari, C & J Griffiths, K. Goonan, M.Goonan, A.LaSpina, C.Lucas, J. & P. Matheson, A.&M.Mautone, P.Murtagh, A. & M. Ringe, J. & S Rivett, A.Roman, J.Stefani, T.Vaccaro & K.Murphy

APOLOGIES: P.Dalbosco, J.LaSpina, L.Campbell, R. & V. Tomasoni, K.Heywood & John Carroll.

Moved K.Bendeman/R.Gaspari that the apologies be accepted.

CARRIED.

MINUTES:

Moved K.Bendeman/R.Gaspari that the Minutes of the Annual General Meeting, held on Thursday 24th 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. In addition to the very successful trading the Chairman highlighted the importance of positive partnerships and projects to TAFCO; the FarmSmart Project Activities, the Myrtleford Farmers Market, additional weather stations added to the network and the TAFCO Boards Strategic Planning Workshop.

Allan outlined TAFCO's vision and values that were developed by the Board during the year and indicated that the store was about to undergo a number of changes to improve efficiencies and grow sales in 2018.

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

Moved A.Grassi/G.Barel 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 year's trade.

Overall sales were up by 10% from previous year Gross profit up from previous year.

Since forming the partnership with Elders Insurance \$160,000 has been netted to TAFCO with \$27,000 from commission alone in 2016-17 year.

Moved F.Gaspari/G.Cossignani that the Managers report be received.

CARRIED.

FINANCIAL REPORTS:

Moved J.Carroll/P.Matheson 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: P.Dalbosco & D.Ivone
No new nominations were received and both Directors were re-appointed.

Moved R.Gaspari/J.Clemens that P.Dalbosco & D.Ivone be appointed as Directors for a 3 year term

CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved D.Ivone/J.Carroll ratified that a 3.5% rebate on members 12 month trading from 1st April 2016 to as at the 31st of March 2017 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 4th October 2017 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 G.Barel/A.Roman that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$150 be ratified.

CARRIED.

GENERAL BUSINESS:

Nil

Katrina Bendeman was welcomed and spoke briefly about the Into Our Hands Community Foundation which is a local Trust fund established out of Black Saturday Bushfire money

MEETING CLOSED 6.25p.m:

.....
Chairman dated

CHAIRMANS REPORT

It is with great pleasure that I present the TAFCO Chairman's Report for the 2017-18 Year.

Once again, TAFCO has had a busy and successful trading year as reflected in the Financial Statements. TAFCO's current trading position remains strong with steady growth over the year. 8% growth in sales saw annual turnover increased by \$339,473 to \$5,276,485.

Directors issued a 3.5% rebate on trading and a 4% dividend on shares which was paid as a credit on member's accounts in June 2018. A significant investment back into the business was made during the year in areas identified as priorities to grow the business. Solar power installation, pallet racking, a walker stacker, new and recycled shelving and a new service counter with additional point of sale terminal have all transformed the retail space.

It has taken just over ten years to build the co-operatives trading back to the same turnover that it had been, just prior to the closure of the tobacco growing industry in Australia. (2007)

The development of a strategic plan to establish a five-year growth plan that builds value and sustainability into TAFCO has been reviewed by the Board and Management and will continue to prioritise and guide the co-operative.

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 as priorities and will be undertaken as a matter of urgency.

Additional staff have been employed to support the retail plan and improved staff training is being undertaken in customer service, first aid and product knowledge. Taneka Mackay is currently undertaking a traineeship and will complete her Certificate in Agriculture (3) in 2019.

The Retail Store Improvement Plan developed for TAFCO, is being implemented to improve the long term sustainability of the business. TAFCO has invested in improved retail practices and addressed OH&S issues associated with the forklift previously in the retail area.

Thank you to members who completed our recent survey - feedback provided is being used to improve our business. The new retail floorplan plan has improved cross floor visibility and opened up more space for new lines suggested by many of you.

A marketing plan is being developed to engage with local residents and broaden our customer base and improve our overall sales and profit generation capability.

TAFCO's on farm delivery service through the scheduled delivery run has continued to be an integral part of TAFCO's service to members and growing customer base. We believe that our delivery service is the best in the region and enables us to retain a strong regional customer base.

The FarmSmart project completed in December 2017, enabled TAFCO to support landholders through a range of activities including workshops, field days and training events that promoted soil health and sustainable production. AgVet Chemical Course and Refresher, Soil Health, Farm Energy Assessment, Climate Change, Farm biosecurity, MIFS Garden and Flower Show trip, Pasture regeneration and Cattle ReproActive were conducted during the project.

TAFCO's accredited Farmers Market in Myrtleford has successfully run for two years. Thanks to our passionate co-ordinator Franca Norris and husband Donald for their efforts in making sure the market runs smoothly. Thanks must also go to the many partners who continue to support the market; the Alpine Shire, the Myrtleford Chamber of Commerce, Into Our Hands Community Foundation and the Bendigo Bank.

Partnerships are very important to TAFCO - being part of the AIRR (Australian Independent Rural Retailers) buying group is essential to leverage our buying power as an independent store.

To the Board of Directors and Management team Tony Vaccaro & Kerry Murphy, thank you for your contributions and ongoing dedication to continually improve our co-operative.

To Peter Wilkinson, sincere appreciation for your time with TAFCO as an observer Director – the board and our business as a whole has learnt from you. Your willingness to share your experience and knowledge in retail will assist the co-operative move into a new chapter in TAFCO's history and improve our long term sustainability.

To our staff, Glenn Cousins, Gerard Sacco, Neville Blewett, James McKerral, Taneka Mackay and Peter Clark a great team - thank you for your input and hard work over the past year and making the transformation from a warehouse like environment to a retail shop a reality. Well done all!

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 2019.

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 2018:-

(a) The names of the directors in Office for the period of this Report 01.07.17 to 30.06.18 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 2018, was an operating profit before income tax of \$296,778 (previous years \$322,277)

(d) A total of 599,269 fully paid Shares at \$1.00 each are Registered fully paid Shares.

(e) The Directors recommended a 4% dividend (\$23,950) & a 3.5% rebate on trading (\$141,678) which was paid on the 30th June 2018.

(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.

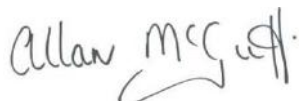
(j) The Directors have not during the course of the year or since the end of the year granted to a person an option to have issued to him shares in the Co-operative

(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 3rd October 2018

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 2017 to 30th June 2018, 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 2017 to 30th June 2018; 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 3rd October 2018

ON BEHALF OF THE BOARD.



ALLAN McGUFFIE

JOE LaSPINA

Detailed Profit and Loss Statement**2016-2017****2017-2018**

Revenue		
Sales	\$ 4,937,412.57	\$ 5,276,485.20
Rounding		
Total Revenue	\$ 4,937,412.57	\$ 5,276,485.20
Cost of Goods Sold		
Purchases	\$ 4,273,880.76	\$ 4,389,856.64
Inwards Freight	\$ 58,201.25	\$ 57,655.33
Stock Movement	-\$ 98,498.67	\$ 80,704.38
Total Cost of Goods Sold	\$ 4,233,583.34	\$ 4,528,216.35
Trading Gross Profit	\$ 703,829.23	\$ 748,268.85
Other Income		
Commission Received		\$ 3,840.01
Farmers Market Site Fees	\$ 9,735.99	\$ 9,672.04
Interest Received - Debtors	\$ 7,488.02	\$ 9,973.81
Project Funding	\$ 78,991.07	\$ 42,945.13
Rebates-Merchandise	\$ 110,742.10	\$ 119,425.69
Rebates - Solar		\$ 7,429.50
Rebates-Insurance	\$ 27,619.20	\$ 28,164.30
Rent Received	\$ 20,799.96	\$ 20,799.96
Interest Received - Bank	\$ 8,627.88	\$ 6,983.87
Dividends-Incitech Shares	\$ 353.22	\$ 381.64
Dividends-AIRR Shares	\$ 50,484.63	\$ 59,784.43
Training Income	\$ 5,645.00	\$ 11,384.00
Total Other Income	\$ 320,576.81	\$ 320,784.38
Total Gross Profit	\$ 1,024,406.04	\$ 1,069,053.23

Detailed Profit and Loss Statement	2016-2017	2017-2018
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Expenses		
Accounting	\$ 2,150.00	\$ 2,000.00
Advertising	\$ 11,594.61	\$ 10,380.67
A.G.M. Expenses	\$ 1,331.30	\$ 1,702.44
Amenities	\$ 2,155.02	\$ 2,114.15
Audit Fees	\$ 7,000.00	\$ 7,000.00
Ammortisation - Goodwill	\$ 2,500.00	\$ 2,500.00
Bank Charges	\$ 10,105.99	\$ 11,350.20
Chairmans Allowance	\$ 8,000.04	\$ 8,000.04
Cleaning	\$ 11,387.73	\$ 7,754.79
Computer Training & Support	\$ 12,132.18	\$ 12,798.67
Depreciation - Plant	\$ 21,703.00	\$ 31,028.00
Directors Expenses	\$ 9,900.00	\$ 7,200.00
Directors Training/Workshop	\$ 1,921.15	
Doubtful Debts	\$ 7,959.00	\$ 6,778.00
Electricity/Heating-215 Myrtle	\$ 6,108.04	\$ 4,038.00
Entertainment	\$ 544.13	\$ 472.62
Farmers Market Expenses	\$ 9,476.65	\$ 9,545.31
Farmers Training Courses	\$ 4,770.80	\$ 8,981.36
Forklift-Repairs & Maintenance	\$ 4,261.04	\$ 3,890.38
Insurance - General	\$ 15,600.27	\$ 16,253.39
Interest - Overdraft	\$ 113.10	\$ 24.75
Licences, Regos, Permits	\$ 683.70	\$ 944.10
Membership-V.F.F.	\$ 698.64	\$ 698.64
Member Fees-A.I.R.R.	\$ 6,199.92	\$ 6,399.96
Motor Vehicle - Fuel	\$ 3,745.66	\$ 4,086.27
Motor Vehicle - Running Costs	\$ 1,311.56	\$ 2,632.50
Motor Vehicle-Interest on Loan	\$ 2,071.44	\$ 1,898.82
Open Day Expenses	\$ 0.00	\$ 60.00
Postage	\$ 5,885.06	\$ 5,812.17
Printing And Stationery	\$ 7,061.63	\$ 9,152.11
Printer/Copier Rental	\$ 575.79	\$ 2,303.16
Project Funding Expenses	\$ 69,148.12	\$ 36,639.88
Project Management Expenses		\$ 4,147.00

Detailed Profit and Loss Statement**2016-2017****2017-2018**

Rates & Taxes-215 Myrtle St	\$ 7,431.33	\$ 7,626.32
Rates & Taxes-231 Myrtle St	\$ 3,972.31	\$ 3,848.59
Repairs & Maintenance - Plant	\$ 1,157.22	\$ 1,483.60
Repairs & Maint.-215 Myrtle St	\$ 6,677.75	\$ 16,266.43
Repairs & Maint.-231 Myrtle St	\$ 0.00	
Replacements	\$ 1,045.45	\$ 35,969.89
Security	\$ 1,664.00	\$ 1,921.73
Signwriting	\$ 159.00	\$ 399.00
Special Write Off Building	\$ 11,535.00	\$ 11,670.00
Subscriptions	\$ 320.00	\$ 235.00
Superannuation - Staff	\$ 57,212.43	\$ 55,308.97
Staff - Bonus (Profit Sharing)	\$ 4,724.39	\$ 6,000.00
Staff Training	\$ 0.00	\$ 350.81
Telephone	\$ 11,766.15	\$ 10,974.96
Travelling & Accommodation	\$ 1,261.02	\$ 1,726.63
Travelling & Accommodation-VFF	\$ 1,120.33	\$ 54.55
Truck - Fuel	\$ 8,994.11	\$ 10,002.38
Truck - Lease	\$ 13,975.32	\$ 3,493.83
Truck - Running Costs	\$ 4,809.28	\$ 6,707.28
Uniforms	\$ 445.45	\$ 809.10
Utility - Fuel (Nissan)	\$ 1,945.37	\$ 1,803.40
Utility - Running Exp (Nissan)	\$ 872.34	\$ 1,158.66
Utility - Fuel (Ford)	\$ 2,727.64	\$ 3,005.14
Utility Running Exp (Ford)	\$ 1,311.12	\$ 2,364.02
Wages	\$ 289,463.47	\$ 348,627.50
Wages – Project Funding	\$ 9,688.90	\$ 6,305.25
Web Page Setup & Maintenance	\$ 3,322.27	\$ 468.18
Workcover	\$ 5,804.98	\$ 5,106.20
Total Expenses	\$ 702,178.30	\$ 772,274.80
Net Profit / (Loss)	\$ <u>322,227.74</u>	\$ <u>296,778.43</u>

Detailed Balance Sheet**2016-2017****2017-2018**

Current Assets		
Cash on Hand	\$ 600.00	\$ 800.00
Petty Cash	\$ 200.00	\$ 200.00
Trade Debtors	\$ 276,889.71	\$ 344,674.62
Less: Provision Doubtful Debts	-\$ 27,689.00	-\$ 34,467.00
Other Debtors	\$ 10,883.37	\$ 11,197.00
A.N.Z. Term Deposit	\$ 282,797.19	\$ 289,115.64
Business Online Saver Account	\$ 155,511.72	\$ 131,177.14
A.N.Z. Account 47723-Chq. A/C	\$ 262,014.08	\$ 159,442.84
Inventory	\$ 721,029.25	\$ 640,324.87
Shares - Incitec Pivot	\$ 13,845.00	\$ 14,738.00
Shares - A.I.R.R.	\$ 528,229.00	\$ 601,697.00
Loan A/C-Members re GST	\$ 12,327.23	\$ 12,688.65
Less: Provision for Ammort.	-\$ 10,000.00	-\$ 12,500.00
Total Current Assets	\$ 2,226,637.55	\$ 2,159,088.76
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	\$ 459,239.27
Less: Accum. Write-Off	-\$ 194,510.00	-\$ 206,180.00
Build. 231 Myrtle-Shed Part.	\$ 4,250.00	\$ 4,250.00
Plant & Equipment @ Cost	\$ 285,567.94	\$ 353,423.54
Less: Accumulated Depreciation	-\$ 179,007.00	-\$ 210,035.00
Land 215 Myrtle St @ Dir. Val.	\$ 213,000.00	\$ 213,000.00
Total Fixed Assets	\$ 937,167.69	\$ 977,697.81
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	\$ 3,213,805.24	\$ 3,186,786.57

Detailed Balance Sheet**2016-2017****2017-2018**

Current Liabilities		
Prepaid Income – Project Funding	\$ 31,572.73	\$ 2,456.20
Provision for Income Tax	\$ 11,607.96	-\$ 15,999.10
Trade Creditors	\$ 531,352.79	\$ 416,520.54
Accrued Creditors	\$ 13,094.41	\$ 7,643.03
Provision for Annual Leave	\$ 20,414.00	\$ 15,176.00
Provision for Long Service	\$ 67,160.00	\$ 69,497.00
Total Current Liabilities	\$ 675,201.89	\$ 495,293.67
Long Term Liabilities		
Suspense Account-Clearing	\$ 13,041.00	\$ 12,368.00
Loan Esanda-Chattel Mortgage	\$ 31,077.41	
Unexpired Interest-Esanda	-\$ 1,899.23	
Total Long Term Liabilities	\$ 42,219.18	\$ 12,368.00
Total All Liabilities	\$ 717,421.07	\$ 507,661.67
Net Worth	\$ 2,496,384.17	\$ 2,679,124.90
Equity		
Income Tax Expense	-\$ 49,960.35	-\$ 38,747.23
Members Rebate	-\$ 128,099.42	-\$ 141,678.70
Members Dividend	-\$ 23,457.68	-\$ 23,950.76
Transfer General Reserve	-\$ 13,613.00	-\$ 12,902.00
Long Service Leave	-\$ 6,162.00	-\$ 2,337.00
Annual Leave	-\$ 287.00	\$ 5,238.00
Ordinary Shares - Fully Paid	\$ 586,192.00	\$ 599,269.00
Retained Profits/Losses	-\$ 605,344.20	-\$ 826,923.65
Capital Profit Reserve	\$ 41,170.15	\$ 41,170.15
General Reserve	\$ 226,777.00	\$ 239,679.00
Asset Revaluation Reserve	\$ 905,638.07	\$ 979,999.07
Profit & Loss Brought Forward	\$ 1,563,530.60	\$ 1,860,309.02
Total All Equity	\$ 2,496,384.17	\$ 2,679,124.90

Independent Auditors 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 2018, 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 21st day of September 2018



..... (Signed)

SAM P MAROTTA - PostGRAD (Acctg); Fellow NTAA; Fellow NTAA *Plus*; 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 MONDAY 26th NOVEMBER 2018.

(*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 Monday 26th November 2018