

TAFCO™

RURAL
SUPPLIES

Primary Producer Proud

ANNUAL REPORT to MEMBERS 2020-2021

MYRTLEFORD
FARMERS
MARKET
PRIMARY PRODUCER PROUD

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BOARD OF DIRECTORS:

Mr. Lachlan CAMPBELL	Chairman
Mr. Jake HOWMAN	Deputy Chairman
Mrs. Katrina BENDEMAN	
Mr. Guido COSSIGNANI	
Mr. Angelo GRASSI	
Mr. Joe LaSPINA	
Mr. Allan McGUFFIE	Retired June 2021
Mr. Paul DALBOSCO	Retired October 2020
Mr. Dan IVONE	Retired July 2020

ALTERNATE DIRECTORS:

Bronwyn Dwyer

SECRETARY:

Ms. Kerry MURPHY

MERCHANDISING MANAGER:

Mr. Tony VACCARO

STAFF:

Mr. Glenn COUSINS
Mr. Gerard SACCO
Mr. Peter CLARK
Mr. Tony VESCIO
Mr. Neville BLEWETT (casual)
Mrs. Tracy WHITEHEAD

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 outdoors at CLUB SAVOY, 252 Great Alpine Rd Myrtleford on THURSDAY 25th November 2021 commencing at 5.30p.m followed by light refreshments.

Strict Covid-19 protocols will be in place requiring all members register with the Secretary by phoning 0357521800 or email kerry@tafco.com.au

BUSINESS:

1. Attendance & Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on 26.11.20
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 Auditors Report

7. Appointment of Directors:

By rotation, Lachlan Campbell and Joe LaSpina retire and are available for re-election for a further 3 year term: Bronwyn Dwyer has filled casual vacancy during the year for a 1 year term.*(Nomination forms on last page of report)*

8. Ratification of Rates of Dividend, Bonus & Rebates.

At the Directors meeting held on the 9th June 2021 a motion was carried issuing a 5% dividend to members and a 4.5% rebate on members trading 01.04.20 to 31.03.21 be paid as a credit on members accounts on the 29th June 2021.

9. Directors Fees - Ratification

At the Directors Meeting held on the 2nd October 2019 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 be increased to \$250 per day.

10. Special Resolutions approved by the Board 06.10.2021 to change rules

Background:

In response to growing the TAFCO business and the current strategic plan – it is proposed to expand TAFCO's profile in emerging markets through the creation of a new class of shares being community membership without shareholding.

The aim of introducing a new class of membership is to enable TAFCO to increase sales into the domestic and potential future online markets and for long term sustainability of the business.

To implement this a change to rules is required through a Special Resolution.

Amendments to TAFCO Rules:

Rule No. 5 to show there are two classes of members:

- (a) Class A Shareholder member
- (b) Class B Community member without shareholding

Rule No. 16. to include the words 'Class A shareholder' in front of member.

Rule No. 45 (1)(a) and (3) to include the words 'Class A shareholder' in front of member.

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 2020 AT CLUB SAVOY 252 GREAT ALPINE ROAD MYRTLEFORD WHICH COMMENCED AT 5.45p.m.

PRESENT: A.McGuffie, J.LaSpina, A.Bursill, B. Dwyer, L.Campbell, J.Howman, D. Ivone, A.Mautone, A.Ringe, A.Roman, T.Vaccaro & K.Murphy

APOLOGIES: K. Bendeman, G.Cossignani, P.Dalbosco, P.Burrowes, C.McCormack
Moved A.Mautone/A.Roman that the apologies be accepted. CARRIED.

MINUTES: Moved L.Campbell/J.Howman that the Minutes of the Annual General Meeting, held on Thursday 19th November 2019 be confirmed. CARRIED.

CHAIRMAN'S REPORT:

The Chairman Allan McGuffie read extracts from his written report to the meeting and added how it had been an incredible year with exceptional growth. The Manager and staff were thanked for their efforts.

Moved J.LaSpina/J.Howman that the Chairman's Report be received. CARRIED.

MANAGERS REPORT:

The Manager reported that TAFCO has had its best results since the formation of the co-operative both in sales turnover and profit. The tobacco industry was wound up some 12 years ago resulting in the loss of \$2 million dollars worth of sales overnight. To recoup this loss took nearly 9 years. The next \$2 million took us just 3.

It has been a challenging year in respect to Bushfires and Covid, but it has been a rewarding year for the co-operative with the sale of AIRR to Elders and the acquisition of K & P McPherson business to form TAFCO Rapidfert.

Being an essential business, TAFCO fortunate not to be negatively affected by Covid – it made us unbelievably busy. Animal feed sales such as dog and chook food went through the roof.

Twelve years ago, management and board made the decision to purchase shares in AIRR – a new buying group for rural retailers. TAFCO purchased just under 93,000 shares valued at \$1.00 at the time. In November 2019 Elders offer to purchase AIRR was successful and members were offered \$10.85 per share. Management and Board opted to take 50% in cash and 50% in Elders Shares. In dollar terms – about \$500,000 in cash and \$500,000 in Elders shares valued at \$6.04 per share. The price of Elders Shares today is about \$10.50 per share

During the year, K & P McPhersons established fertiliser business of came on the market. After much research and discussion it was decided to acquire the business if the right people could be found to run it.

TAFCO formed a company with members Brad and Bryce Cundy under the trading name TAFCO Rapidfert. TAFCO owns 75% of the company and the Cundy boys own the remaining 25%. TAFCO Rapidfert began trading on 1st February 2020, and I am happy to report that in the first 5 months, to 30th June 2020 the profit was just under \$90,000.

So as the figures show, it has not only the shopfront that has been busy but behind the scenes also has been very active.

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In closing the Manager thanked all staff for their hard work and dedication especially around covid and thanked Directors for their support.

Moved A.Ringe/A.Roman that the Managers report be received.

CARRIED.

FINANCIAL REPORTS:

Moved L.Campbell/A.Mautone 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: K.Bendeman & J.Howman (3 year term) - No new nominations were received.

Moved D.Ivone/J.LaSpina that K.Bendeman & J.Howman be appointed as Directors for a 3 year term.

CARRIED.

RATIFICATION OF RATES & DIVIDEND:

Moved J.Howman/L.Campbell ratified that a 4% rebate on members 12 month trading 1st April 2019 to as at the 31st of March 2020 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 2nd October 2019 Directors reviewed and agreed that there be no increase to the Chairman's Annual Allowance of \$8,000 per annum and that Directors sitting Fees increase to \$250 per day.

Moved A.Mautone/J.LaSpina that an annual Chairman's Allowance of \$8,000 and Directors Day Allowance of \$250 be ratified.

CARRIED.

GENERAL BUSINESS:

Special Resolutions:

The Chairman indicated that the Board had withdrawn the special resolutions in relation to membership and that a code of conduct had been adopted by TAFCO and needs to be referred to in the rules requiring a special resolution.

Moved A.Mautone/A.Roman that the following amendment to the rules of the Tobacco & Associated Farmers Co-operative Limited be added:

Rule No. 45 (4) That directors must comply with the Directors Code of Conduct and a breach can lead to their removal as a Director

CARRIED.

Retiring Directors:

The Chairman thanked Dan Ivone for his 10 years service on the Board of TAFCO and acknowledged his contributions during this time and presented him with a Certificate of Service.

Paul Dalbosco has also retired after 23 years with TAFCO. Paul was the first observer Director joining the Board in 1997 and his contributions were acknowledged.

Members were thanks for their attendance

MEETING CLOSED 6.10p.m:

CHAIRMANS REPORT

It is with great pleasure that I report on behalf of the Board of Directors and as recently elected Chairman of the Co-operative. 2020-21 has been a year of continued challenges for our members and staff, a second year of a global pandemic and some changes to the Board composition.

- \$7.39 million sales - Highest turnover since formation of TAFCO
- 660 Members – highest number of members since TAFCO began in 1987
- Uninterrupted trade throughout 2020-21 global pandemic,
- Australian Institute of Company Directors training to Board members
- Bushfire Recovery – Members supported through farmer training and promotion
- ABC Fightback Farmers featured TAFCO as a leading co-operative in Australia

TAFCO has been fortunate in being able to provide an essential service through our retail store during the Covid-19 pandemic. The Financial Statements reflect another busy and successful trading year with steady growth from the previous year. TAFCO'S total annual turnover grew to \$7.39 million –with a gross trading profit of \$989,721, the highest in the history of TAFCO.

Directors issued a 4.5% rebate on trading and a 5% dividend on shares which was paid as a credit on member's accounts in June 2021. \$274,037 distributed back to our 660 members as a credit on their account. Since TAFCO was formed in 1987 we have given back just in excess of \$4.25 million to our members through rebates, dividends and bonus shares.

As at the 30th June TAFCO'S Balance Sheet shows Shares held in Elders valued at \$966,711 as compared to \$788,435 the previous year. Since the end of the Financial Year the Board have converted 50% of the shares into cash as part of our risk management strategy and long term considerations for our TAFCO shareholder members.

Three Board members and our Secretary completed the Australian Institute's Company Directors Course for governance course for co-operatives through a bursary provided by the Business Council of Co-operatives and Mutuals. The Board introduced a Directors Code of Conduct, has established a HR and Remuneration Committee and also Finance and Audit Committee.

Following the resignation of long serving, key board members, Allan McGuffie, formation member and immediate past Chairman (1987-2021), Paul Dalbosco (1997 -2020) and Dan Ivone (2010-2020) who all navigated TAFCO to reach the healthy position it is in today, the board and members are considerably thankful. Three new observer Directors have since joined the Board each bringing new skills to the table.

There are many challenges ahead, (well beyond covid), the agricultural landscape is changing within the region and so is TAFCO's member base. Being profitable, remaining relevant to members, providing quality goods and services and giving back to community is key and forefront to our decision making. TAFCO will explore new opportunities as they arise and retreat if things don't work out. Our core decision making is always for the long term benefits of our TAFCO family, all our members.

The Myrtleford Farmers Market has supported regional producers offering short promotional videos for stallholders, reduced stall fees and a social gathering through a bushfire recovery grant from the Australian Mutuals Foundation and Business Council of co-operatives and Mutuals.

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The market has provided a strong social network within the community – Myrtleford Landcare & Sustainability, Alpine Shires Bushfire Community Recovery Committee, U3A, Myrtleford Repair Café, La Fiera Italian Festival and St.Pauls Anglican Church are some of the groups who have been supported by the Farmers Market this year.

The TAFCO network of weather stations continues to be well supported and is a credit to our many partners whom I would like to formally acknowledge; North East Catchment Management Authority, the Alpine Shire, Rural City of Wangaratta, Wines of the King Valley and Alpine Valley Vignerons all whom contribute to the operational expenses of this great community project lead by TAFCO.

TAFCO has subscribed to the Business Entrepreneurs Program and have a dedicated facilitator working with the Board on TAFCO's Strategic Plan. We have had an independent OH&S review of our operations to ensure that our staff and customers safety is a priority. Mental health sessions have also been provided to staff. Many member activities, including the AgVet Chemical Training in conjunction with Wodonga TAFE, and workshops have been interrupted due to covid-19 but will slowly resume once restrictions ease and we enter 2022.

Looking to the future, TAFCO is opening up membership to the community through the introduction of a new class of membership. A community membership (Class B) that does not hold shares. Similar to loyalty schemes existing in other business models, the Board believe this is a positive step in securing long term sustainability for the co-operative. Rebates and dividends will continue to be paid to existing shareholder members and a loyalty scheme for community members operating 'cash sales'.

Welcome to our newest observer Directors – Stef Antonello, Michael Bleeser and Rupert Shaw who bring a diverse range of skills to the table that will see TAFCO continue as a healthy, sustainable, agile profitable business working for its members. The areas where the gaps we identified included supply chain logistics, business planning, retail, IT, digital and agricultural science.

I would like to thank the Board of Directors and Management team of Tony Vaccaro & Kerry Murphy who continue to run the co-operative sustainably and profitably while overseeing major changes within the co-operative.

Furthermore, with the retirement of Tony Vaccaro our Manager of over 30 years, I would like to assure our members that the Board recognize the importance of finding the right person and have engaged professional HR services to assist with the transition to a new General Manager in 2022.

To all our staff team, Glenn Cousins, Gerard Sacco, Neville Blewett, Peter Clark, Blake McPherson, Tony Vescio, Mitch Clark and Tracey Whitehead - thank you for your input and hard work over the past year. Sadly, we farewell Peter after 3 years in the store and driving the Whorouly - King Valley delivery run, as he takes up the opportunity to undertake a mature age apprenticeship. We wish Pete all the best and look forward to a new member joining the team.

Finally to our members, a co-operative exists for you, it is through your support that we continue to be a leading supplier of quality goods and services to the region.

Lachlan Campbell – Chairman

DIRECTORS QUALIFICATIONS & EXPERIENCE:

Lachlan Campbell - Chairperson

Joined the Board in February 2010 having spent 4 years as an observer Director. He chairs TAFCO's remuneration committee and a founding committee member of the Myrtleford Farmers Market. Lachlan has an Associate Diploma of Applied Science Horticulture and is a graduate of the Australian Institute of Company Directors course.

A past graduate and chairman of the Alpine Valley Community leadership program, an advisor to the Charles Sturt University curriculum committee for their environmental science program and a past board member of Parks Victoria. He is a committee member of the Oxley reserve committee, a 30yr member of the CFA. Together with his wife, manages a vineyard and wine business for the last 25 years and has been involved in the wool and meat industry's. Past Executive Officer with the Alpine Valleys Agribusiness Forum.

Jake Howman - Deputy Chairperson

Joined the Board in October 2019. Bachelor of Commerce at the University of Melbourne specialising in Accounting and Finance before working for international accounting firm Ernst & Young in the Entrepreneurial Growth Markets division. Jake currently works as an independent Risk Management Consultant Working for Assorted insurance companies (9 years) in addition to Operating an Agricultural and Environmental services business and our families beef cattle farming operations based in Rosewhite.

Jake also has Certificate 4 in Agriculture and Cert 3 in Hospitality and Tourism and has attended TAFCO's in house Directors Co-operative Governance Training Workshop in November 2019 and completed the Australian Institute of Company Directors Course in 2021.

Katrina Bendeman

Joined the Board in August 2016. An accomplished, customer service and results driven professional, with varied skills and experiences. With over 25 years of relationship management, administration, and program management experience Katrina has strong time management and organisational skills. Katrina brings experience in community development, partnership development, sales, event and project management, client relations, strategic planning and management to the Board.

Guido Cossignani

Joined the Board in January 2013. After participating in the Alpine Valleys New Leadership Program in 2008, he joined as an observer Director in 2010. Guido is a qualified Motor Mechanic and has a Certificate 4 in Horticulture. Guido has 30 years experience in growing tobacco, blueberries, medicinal herbs, wine grapes, plums and persimmons. Guido has been a regular active participant at regional Farmers Markets.

Angelo Grassi:

Joined the Board in November 2007. Angelo is a qualified Motor Mechanic and Auto Electrician. Has a Certificate 4 in Training and Assessing, Viticulture and Horticulture. Ange is a former tobacco and grape grower and operates two private businesses including a motor workshop and Licenced Gun Dealer.

Angelo is a former Director of the Tobacco Co-operative of Victoria Ltd, past president of the Wangaratta Clay Target Club and is a volunteer member of his local CFA.

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Joe LaSpina Joined the Board in April 2007 having spent 9 years as an observer Director. Joe has a Certificate 4 in Agriculture with 32 years experience in running a multi commodity family farming enterprise. Accounts, ordering, staffing, sales, horticultural grower and transport logistics. Joe is currently a shift supervisor at Alpine MDF

Allan McGuffie: Chairman Allan McGuffie has held his current role as chair since January 2010 and has been on the Board since being a founder member and Director in 1987. A former tobacco farmer, viticulturalist and horticultural producer. Allan is a qualified Real Estate Agent and is Chairman of the Alpine Regional Horseman's Association and a member of the Myrtleford Recreation Reserve Committee. Allan retired from TAFCO in June 2021.

Paul Dalbosco: Joined the Board as an observer in 1997 and became a Director in June 2003 and retired October 2020.

Dan Ivone: Joined the Board in February 2010 and retired July 2020.

Alternate Director: Bronwyn Dwyer

Joined the Board as an observer Director in 2020. Having moved to Nug Nug in 2018, Bronwyn has a Bachelor of Science (Environmental Science) and brings significant skills in the area of environment and risk management to the Board. Bronwyn has a farming background and competencies include management/leadership, compliance, management systems, auditing, risk assessment and emergency response. A former environmental protection officer, senior Environmental Advisor, Environment & Sustainability Manager/Environmental Compliance Risk Lead with BP Australia. Bronwyn completed the Australian Institute of Company Directors Course in 2021 and is a participant in the Alpine Valleys Leadership Program.

Kerry Murphy - Secretary

Kerry joined the co-operative as Secretary in July 1988. Kerry has a Diploma of Business specializing in Management, is a graduate of the Alpine Valleys Womens Leadership & Governance Program and has extensive project management experience.

A former Board Member of Alpine Valleys Agribusiness Forum, Treasurer Victorian Farmers Federation (Horticulture Group), Chair of the VFF Agriculture & Vet Chemical Committee, Director of AusChem Training Victoria and has had ministerial appointments including the Victorian Agricultural Chemicals Advisory Committee.

Kerry is a recipient of the Alpine Shires Local Achievers Australia Day Award and is Secretary to the Myrtleford Chamber of Commerce & Industry Inc. and completed the Australian Institute of Company Directors Course in 2021.

Board Meeting attendance

2020-21 TAFCO Director Meetings	15.10.20	16.12.20	24.02.21	14.04.21	01.05.21	09.06.21	29.06.21
Katrina Bendeman	✓	✓	✓	✓	✓	✓	✓
Lachlan Campbell	✓	✓	✓	✓	✓	✓	✓
Guido Cossignani	✓	✓	✓	✓	Apology	✓	Apology
Angelo Grassi	✓	Apology	✓	Apology		✓	
Jake Howman	Apology	✓	✓	✓	✓	✓	✓
Joe LaSpina	✓	✓	✓	Apology	✓	✓	✓
Allan McGuffie	✓	✓	✓	✓	✓	✓	✓
Paul Dalbosco	✓						
Bronwyn Dwyer (alternate)		✓	✓	✓	✓	✓	✓
Kerry Murphy (Secretary)	✓	✓	✓	✓	✓	✓	✓

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 2021:-

- (a) The names of the directors in Office for the period of this Report 01.07.20 to 30.06.21 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 2021, was an operating profit before income tax of \$393,906 (previous year \$790,496)
- (d) A total of 595,985 fully paid Shares at \$1.00 each are Registered fully paid Shares.
- (e) The Directors recommended a 5% dividend (\$29,799) & a 4.5% rebate on trading (\$244,238) which was paid on the 30th June 2021.
- (f) The operations of the Co-operative are not subject to any special 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

in accordance with a resolution of the Board and is signed for and on behalf of the Directors at Myrtleford on 6th October 2021



LACHLAN CAMPBELL
Chairman



JAKE HOWMAN
Deputy Chairman

DIRECTORS DECLARATION:

In accordance with a resolution of the Board of Directors we, LACHLAN CAMPBELL and JAKE HOWMAN 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:

The accompanying Financial Statements and notes for the financial year 1st July 2020 to 30th June 2021, 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 2020 to 30th June 2021; and comply with Australian 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.

Declared at Myrtleford on 6th October 2021
ON BEHALF OF THE BOARD.



LACHLAN CAMPBELL
Chairman



JAKE HOWMAN
Deputy Chairman

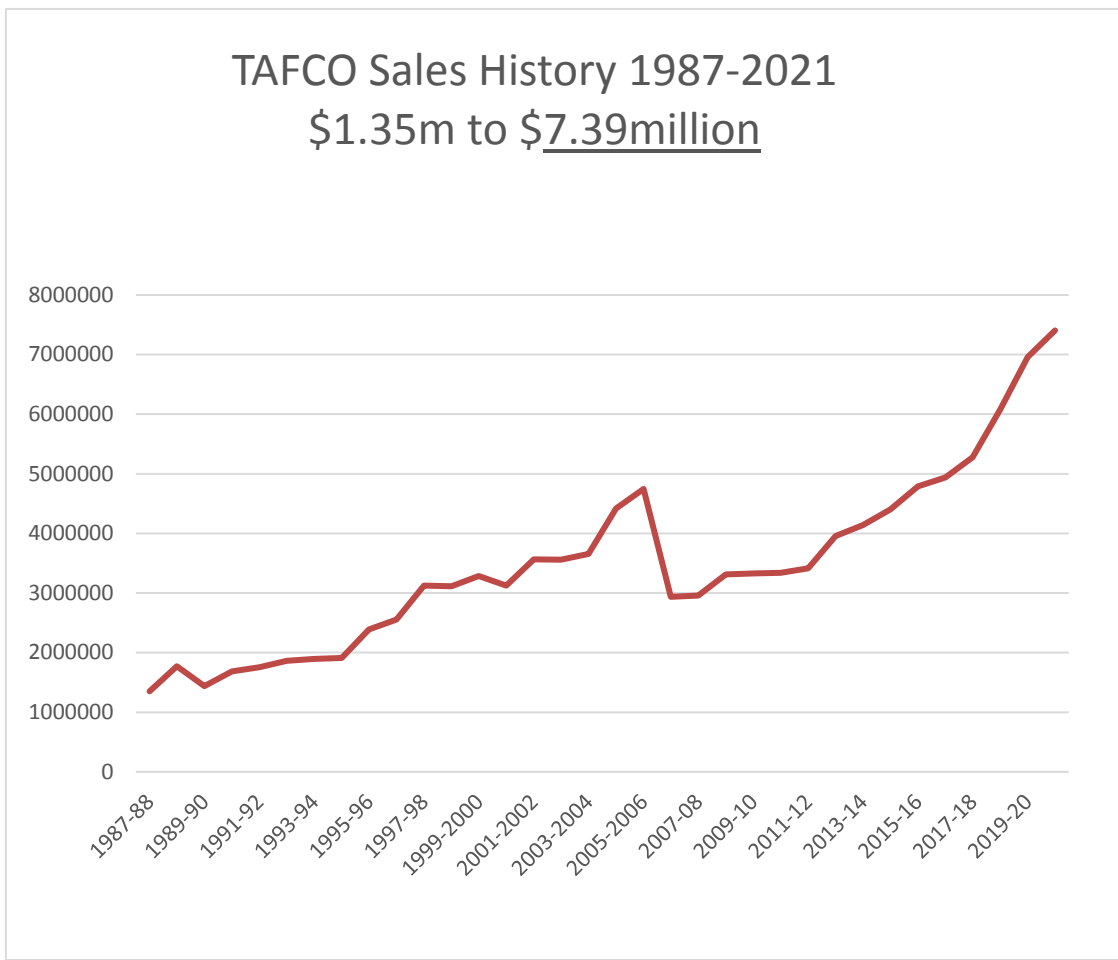
Detailed Profit and Loss Statement

	2019-2020	2020-2021
Revenue		
Sales	6,958,592.11	7,391,228.59
Rounding	0.00	0.00
Total Revenue	\$6,958,592.11	\$7,391,228.59
Cost of Goods Sold		
Purchases	6,081,859.11	6,210,757.69
Inwards Freight	81,691.33	72,191.43
Stock Movement	(85,009.82)	118,558.42
Total Cost of Goods Sold	\$6,078,540.62	\$6,401,507.54
Trading Gross Profit	\$880,051.49	\$989,721.05
Other Income		
Administration Fee-Rapidfert	5,000.00	12,000.00
Commission Received	5,293.16	4,536.00
Farmers Market-Site Fees	7,331.55	6,619.86
Fuel-Rebate	987.00	3,859.00
Interest Received - Debtors	7,813.92	5,321.28
Insurance Refund/Claim	4,110.00	0.00
Sundry Income-Cash Flow Boost	49,271.25	29,562.75
Profit/Loss on Sale of Fixed A	11,948.28	5,155.00
Project Funding	36,538.23	15,336.02
Rebates-Merchandise	173,916.47	161,644.90
Rent Received	25,995.96	25,995.96
Interest Received - Bank	5,260.89	1,714.14
Dividends-Incitec Shares	208.57	0.00
Dividends-AIRR Shares	378,634.71	0.00
Dividends-Elders Shares	21,522.34	33,718.33
Dividends-TAFCO Rapidfert	2,812.50	6,750.00
Training Income	12,830.00	13,100.00
Wages Reimbursement	1,157.89	6,932.88
Bad Debts Recovered	0.00	0.00
Total Other Income	\$750,632.72	\$332,246.12
Total Gross Profit	\$1,630,684.21	\$1,321,967.17
Expenses		
Accounting	2,400.00	3,000.00
Advertising	9,615.72	9,709.96
A.G.M. Expenses	87.73	156.55
Agronomy Service	0.00	4,800.00
Amenities	2,294.53	2,567.16
Audit Fees	7,600.00	11,000.00
Ammortisation - Goodwill	2,500.00	2,500.00
Bank Charges	9,705.14	13,179.87
Chairmans Allowance	8,000.04	7,666.71
Cleaning	7,736.53	8,030.77
Computer Lease	0.00	1,316.18

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<u>Detailed Profit and Loss Statement</u>	2019-2020	2020-2021
Computer Training & Support	12,377.09	13,089.53
Depreciation - Plant	35,812.00	33,239.00
Directors Expenses	13,900.00	18,474.83
Directors Training/Workshop	1,116.90	2,322.44
Doubtful Debts	(2,428.00)	10,971.00
Electricity/Heating-215 Myrtle	3,018.76	2,985.56
Electricity/Heating-231 Myrtle	0.00	0.00
Employment Contracts	1,300.00	0.00
Employment Recruiting	1,950.00	0.00
Entertainment	478.70	778.00
Farmers Market Expenses	9,382.54	9,729.17
Farmers Training Courses	6,318.40	8,818.24
First Aid Allowance	583.68	1,122.00
Forklift-Repairs & Maintenance	4,063.40	5,305.73
Fringe Benefits Tax	0.00	0.00
Insurance Claim Excess	796.00	500.00
Insurance - General	18,428.00	19,882.91
Interest - Overdraft	105.35	0.00
Legal Fees	2,800.00	0.00
Licences,Regos,Permits	572.56	1,270.75
Medical Expenses	168.96	545.45
Membership-Agsafe	640.00	680.00
Membership-Co-ops NSW	1,476.00	1,476.00
Membership-V.F.F.	860.00	860.00
Member Fees-A.I.R.R.	6,400.14	6,399.96
Motor Vehicle - Fuel (Ranger)	3,807.74	3,726.79
Motor Vehicle - Running Exp (Ranger)	2,698.27	88.09
Postage	5,528.61	7,767.71
Printing And Stationery	8,335.84	9,143.81
Printer/Copier Rental	2,303.16	2,303.16
Project Funding Expenses	36,538.23	15,335.02
Rates & Taxes-215 Myrtle St	5,955.60	6,852.38
Rates & Taxes-231 Myrtle St	3,068.25	3,646.10
Repairs & Maintenance - Plant	2,822.62	653.00
Repairs & Maint.-215 Myrtle St	13,134.83	4,924.65
Repairs & Maint.-231 Myrtle St	1,164.58	110.00
Replacements-Instant Asset W/O	51,863.64	86,146.03
Security	2,504.93	2,547.13
Seminars & Conferences	0.00	0.00
Signwriting	430.00	120.00
Special Write Off Building	12,116.00	12,113.00
Subscriptions	280.45	534.45
Superannuation - Staff	62,919.67	69,225.67
Staff Training	140.91	2,333.64
Telephone	14,274.27	11,302.17
Trainee Payments	2,400.00	0.00

<u>Detailed Profit and Loss Statement</u>	2019-2020	2020-2021
Travelling & Accommodation	1,828.90	847.17
Travelling & Accommodation-VFF	190.91	0.00
Truck - Fuel	11,725.88	9,907.88
Truck - Running Costs	11,590.97	5,033.93
Uniforms	1,715.82	2,876.92
Utility - Fuel (Mitsubishi)	2,124.86	1,788.32
Utility - Running Exp (Mitsubishi)	1,394.90	1,448.60
Utility - Fuel (Ford/Nissan)	2,203.03	1,323.28
Utility Running Exp (Ford/Nissan)	2,217.61	4,073.16
Wages	392,047.88	450,449.68
Web Page Setup & Maintenance	3,190.00	598.64
Workcover	7,609.05	8,463.39
Default	0.00	0.00
Total Expenses	\$840,187.58	\$928,061.54
Net Profit / (Loss)	\$790,496.63	\$393,905.63



Detailed Balance Sheet**2019-2020****2020-2021**

Account		2019-2020	2020-2021
Current Assets			
	Cash on Hand	800.00	1,000.00
	Petty Cash	200.00	200.00
	Trade Debtors	156,323.56	266,038.36
	Less: Provision Doubtful Debts	(15,632.00)	(26,603.00)
	A.N.Z. Term Deposit	300,129.38	0.00
	Bendigo Bank Term Deposit	10,000.00	10,114.01
	Business Online Saver Account	82,164.57	82,205.61
	A.N.Z. Account 47723-Chq. A/C	391,973.68	1,051,545.18
	Inventory	866,748.61	748,190.19
	Shares-Elders	788,435.16	966,711.90
	Shares - Incitec Pivot	7,612.50	9,662.80
	Shares - A.I.R.R.	0.00	0.00
	Shares-Tafco Rapidfert @ Cost	675,000.00	675,000.00
	Loan A/C-Members re GST	(7,932.37)	14,748.26
	Less:Provision for Ammort.	(17,500.00)	(20,000.00)
	Total Current Assets	3,238,323.09	3,778,813.31
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	476,889.27	476,889.27
	Less:Accum. Write-Off	(230,325.00)	(242,438.00)
	Build. 231 Myrtle-Shed Part.	4,250.00	4,250.00
	Plant & Equipment @ Cost	368,641.18	315,172.73
	Less: Accumulated Depreciation	(228,733.00)	(217,894.00)
	Land 215 Myrtle St @ Dir. Val.	213,000.00	213,000.00
	Total Fixed Assets	967,722.45	912,980.00
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	\$4,256,045.54	\$4,741,793.31
Current Liabilities			
	Prepaid Income	6,751.27	26,985.25
	Provision for Income Tax	49,750.16	(721.92)
	Trade Creditors	587,715.88	767,400.98
	Accrued Creditors	(38,001.06)	(5,681.15)
	Provision for Annual Leave	31,190.00	30,817.00
	Provision for Long Service	84,579.00	90,045.00
	Total Current Liabilities	721,985.25	908,845.15
Long Term Liabilities			
	Suspense Account-Clearing	(8,952.00)	13,787.00
	Total Long Term Liabilities	(8,952.00)	13,787.00
	Total All Liabilities	\$713,033.25	\$922,632.15

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Net Worth		\$3,543,012.29	\$3,819,161.16
Equity			
	Income Tax Expense	(193,791.07)	(27,184.07)
	Members Rebate	(223,087.80)	(244,238.49)
	Members Dividend	(23,530.16)	(29,799.25)
	Transfer General Reserve	(29,835.00)	(18,336.00)
	Long Service Leave	(9,286.00)	(5,466.00)
	Annual Leave	(14,761.00)	373.00
	Ordinary Shares - Fully Paid	587,754.00	595,985.00
	Retained Profits/Losses	(1,317,773.81)	(1,812,064.84)
	Capital Profit Reserve	697,306.94	697,306.94
	General Reserve	286,473.00	304,809.00
	Asset Revaluation Reserve	747,910.79	928,237.83
	Profit & Loss Brought Forward	3,035,632.40	3,429,538.03
Total Equity		3,543,012.29	3,819,161.15
Total All Equity		\$3,543,012.29	\$3,819,161.15



Statement of Cashflows**2020-2021**

Source of Funds		
	Description	Amount
	A.N.Z. Term Deposit	300,129.38
	Accrued Creditors	32,319.91
	Annual Leave	15,134.00
	Asset Revaluation Reserve	180,327.04
	General Reserve	18,336.00
	Income Tax Expense	166,607.00
	Inventory	118,558.42
	Less: Provision Doubtful Debts	10,971.00
	Less:Accum. Write-Off	12,113.00
	Less:Provision for Ammort.	2,500.00
	Long Service Leave	3,820.00
	Ordinary Shares - Fully Paid	8,231.00
	Plant & Equipment @ Cost	53,468.45
	Prepaid Income	20,233.98
	Profit & Loss Brought Forward	393,905.63
	Provision for Long Service	5,466.00
	Suspense Account-Clearing	22,739.00
	Trade Creditors	179,685.10
	Transfer General Reserve	11,499.00
		1,556,043.91
Application of Funds		
	Description	Amount
	A.N.Z. Account 47723-Chq. A/C	659,571.50
	Bendigo Bank Term Deposit	114.01
	Business Online Saver Account	41.04
	Cash on Hand	200.00
	Less: Accumulated Depreciation	10,839.00
	Loan A/C-Members re GST	22,680.63
	Members Dividend	6,269.09
	Members Rebate	21,150.69
	Provision for Annual Leave	373.00
	Provision for Income Tax	50,472.08
	Retained Profits/Losses	494,291.03
	Shares - Incitec Pivot	2,050.30
	Shares-Elders	178,276.74
	Trade Debtors	109,714.80
		1,556,043.91

Notes to the Financial Statements:

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Loans and Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

(c) Intangible Assets

Goodwill

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when there is objective evidence the business has been impaired. Impairment losses are calculated based on the directors' assessment of the business's recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

(d) Impairment of Assets

At the end of each reporting period, property, plant and equipment, intangible assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

(e) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability. Trade and other payables are subject to normal credit terms (30–60 days) and do not bear interest.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

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

(i) Goods and Services Tax (GST)

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

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

Note 2: Contributed Capital	2021	2020
595,985 Ordinary shares at \$1.00 each fully paid	\$595,985	\$587,754

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 3: Covid-19 (Coronavirus) – (after balance day events)

Due to COVID-19 significant change in asset values may occur after the balance date and may impact on the future income.

Due to the rapid and ongoing changes, the extent of any decline cannot be determined at this time.

Independent Auditors Report

To the members,

In my/our opinion:

1. The accompanying financial report is properly drawn up in accordance with the provisions of the Co-operatives National Law (Victoria), including:
 - a. giving a true and fair view of:
 - i. the state of affairs of the co-operative at 30th of June 2021 and of the results and cash flows of the co-operative for the period/year ended on that date; and
 - ii. the other matters required by Section 283 of the Co-operatives National Law (Victoria) to be dealt with in the financial statements; and
 - b. complying with applicable Accounting Standards and other mandatory professional reporting requirements
2. The accounting records and other records, and the registers required by the Act to be kept by the co-operative have been properly kept in accordance with the provisions of the Co-operatives National Law (Victoria).
3. I have been given all information, explanations and assistance necessary for the conduct of the audit.

Dated at MYRTLEFORD this 4th day of October 2021



..... (Signed)

SAM P MAROTTA - PostGRAD (Acctg); Fellow NTAA; Fellow NTAA *Plus*; RTA; JP

REGISTERED COMPANY AUDITOR Reg No: 8799

Telephone: 03-57511411

Auditors Independence Declaration

Auditor's Independence Declaration under Section 283 of Co-operatives National Law (Victoria) and Section 307C of the Corporations Act 2001

To: The Directors of Tobacco and Associated Farmers Co-operative Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30th of June 2021, there have been no contraventions of:

1. the auditor independence requirements as set out in the Co-operatives National Law (Victoria) in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.



..... (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 THURSDAY 18th November 2021 Rule 47 (5)(d)

(*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 before 18th November 2021