

The Community Co-operative Store (Nuriootpa) Limited

ABN 80 147 431 373

Financial Statements - 30 June 2022

The Community Co-operative Store (Nuriootpa) Limited

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30 June 2022

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The Community Co-operative Store (Nuriootpa) Limited

Directors' report

30 June 2022

The directors of the Community Co-operative Store (Nuriootpa) Ltd ("The Co-op") present their report, together with the financial statements of the Group, being The Co-op and its controlled entity ("The Group"), for the financial year ended 30 June 2022.

Information on directors

The following persons were directors of the group during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Rebecca Tolhurst - LLB (Hons), BCom, GAICD
Chair since August 2018
Deputy Chair from April to August 2018
Director since March 2012

Mr John Curnow
Deputy Chair from January 2018 to April 2018 and from August 2018
Director since April 2013

Mr John Auld - RDWM
Director since February 2014

Mr Kevin Renshaw - CPA, BBus
Chair of Audit & Risk Committee since September 2018
Director since November 2016

Prof Svetlana Bogomolova - BA (Sociology), M Business, PhD (Marketing), GAICD
Director from January 2018 to October 2021

Mr James March - BA (International Relations)
Director since November 2018

Mr Andrew Myers - MBA, AdvMgt (INSEAD)
Director since March 2020

Mr Neil Retallick - BEc, GradDip (Marketing), FAMI, CPM, GAICD
Managing Director from August 2019 to February 2022

Mr Samuel Holmes - ADip (Winemaking), GCert ARLP, GDipBA, GCertFinAnal
Director since October 2021

Principal activities

The principal activities of the Group during the financial year were to provide outstanding and sustainable shopping choice and retail services to our members and the Barossa community.

No significant change in the nature of these activities occurred during the year.

Operating results

The profit for the group after providing for income tax amounted to \$447,859 (30 June 2021: loss of \$322,830).

Review of operations

The Barossa Group comprises of six operational divisions:

- Food - incorporating the Barossa Fresh Supermarket, Online Delivery and Fresh Café.
- Home - incorporating the Mitre 10 Trade and Retail businesses, The Design Studio and the Betta HomeLiving offer.
- Lifestyle - incorporating Sportspower, Toyworld, Barossa Workwear, Rod and Spur Menswear, Barossa Homewares and Orchard Lane.
- Club and Commercial which is our first direct business that serves the local sporting clubs and SA businesses with solutions for workwear and sporting apparel.
- Property Management being the arm that owns and operates our Barossa central physical properties to both our own businesses and those of our 30 retailers.
- Business Support being the support departments of the Co-Operative.

The Community Co-operative Store (Nuriootpa) Limited

Directors' report

30 June 2022

The Group's performance continued to improve this year with total revenue achieved at \$72.7 million. Overcoming disruptions from construction work of the Mall build and the two-year pandemic, revenues achieved returned to a record level after 5 years.

A Net Profit before tax was also earned, at \$644,376 the first profit since 2017.

FOOD Division has continued to grow with revenues rising above \$45.0 million. The development of the online business has been warmly welcomed by the Community earning a growth rate in revenues this year greater than 30%. The level of demand enabled the introduction of our own dedicated delivery transport vans, "Basil" and "Cherry" that have proved popular.

The move to a new supplier – Brave Logistics – an SA based company has been a great success and has been pivotal in the division earning a Net Profit of \$1.67 million, an improvement of \$924,346 over last year.

HOME Division also continued to display strength in its performance achieving sales of \$18.7 million, an increase of \$2.4 million over last year. This considerable success represents the growth of the Mitre 10 business on the back of strong construction work in the Valley along with consistent demand for Betta Home Living services and the introduction of The Design Studio, a new service to our community.

LIFESTYLE Division achieved similar revenues to last year and maintained the margin on sales. The stores continue to orient towards the local community but have been impacted by the vagaries of the pandemic this year which have made shopping hours uncertain at times which has detracted from their performance.

Club and Commercial Division is a new business-to-business operation promoting the supply of corporate and sporting club apparel, workwear and accessories. With extraordinary service and competitive pricing, this business is a crucial 'add-on' enabling relationships with sporting clubs and local and South Australian businesses to be connected.

The unit has made a modest start but is already being well received.

Property Management Division is the entity used to manage the retailers within the Barossa Central Shopping Centre. Revenues rose above \$5.6 million for the first time this year. The Co-Op welcomed six new retailers this year and our plans are that all spaces will be tenanted and open to the community by June 2023.

A final note is on the progress being made in the reduction of debt at The Co-Operative. The General Loan Facility with the Commonwealth Bank is contracted through to 31 July 2024. The loan balance as at June 30 2022 was \$33.3 million with repayments on principal of \$1.2 million being achieved in the Fiscal Year 2022. This disciplined approach to our debt management has won increased credibility with the bank.

Meetings of directors

During the financial year, a total of 22 Board and Audit & Risk Committee meetings were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Ms Rebecca Tolhurst	22	20
Mr John Curnow	22	22
Mr John Auld	22	22
Mr Kevin Renshaw	22	18
Prof Svetlana Bogomolova	8	8
Mr James March	22	19
Mr Andrew Myers	22	19
Mr Neil Retallick	14	14
Mr Samuel Holmes	14	14

Unissued shares under option

There were no unissued ordinary shares of the group under option outstanding at the date of this report.

Shares issued during or since the end of the year as a result exercise

There were no ordinary shares of the group issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

The Community Co-operative Store (Nuriootpa) Limited
Directors' report
30 June 2022

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial year.

Matters subsequent to the end of the financial year

The financial report was authorised for issue on 23 September 2022 by the board of directors.

No matter or circumstance has arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental regulation

The Group's operations are not regulated to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

The group has indemnified the directors of the group for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the group paid a premium in respect of a contract to insure the directors of the group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the group or any related entity against a liability incurred by the auditor.

During the financial year, the group has not paid a premium in respect of a contract to insure the auditor of the group or any related entity.

Proceedings on behalf of the group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the group, or to intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Ms Rebecca Tolhurst
Chair of the Board

23 September 2022

Mr Kevin Renshaw
Chair of the Audit and Risk Committee

The Community Co-operative Store (Nuriootpa) Limited
Auditor's independence declaration

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The Community Co-operative Store (Nuriootpa) Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	5	72,714,171	67,744,866
Expenses			
Cost of goods sold	6	(48,925,741)	(46,357,486)
Employee benefits expense	6	(13,456,205)	(12,491,040)
Depreciation expense	6	(2,097,215)	(2,002,149)
Fair value adjustments of financial liabilities		472,260	488,275
Other expenses		(6,479,541)	(5,958,206)
Finance costs	6	<u>(1,582,254)</u>	<u>(1,873,832)</u>
Operating profit/(loss)		645,475	(449,572)
Interest on share capital		<u>(1,099)</u>	<u>(7,920)</u>
Profit/(loss) before income tax (expense)/benefit		644,376	(457,492)
Income tax (expense)/benefit	7	<u>(196,517)</u>	<u>134,662</u>
Profit/(loss) after income tax (expense)/benefit for the year		447,859	(322,830)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>447,859</u></u>	<u><u>(322,830)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Community Co-operative Store (Nuriootpa) Limited
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	8	439,344	405,975
Trade and other receivables	9	1,304,275	1,417,686
Inventories	10	6,906,676	6,112,486
Other	12	126,857	166,225
Total current assets		<u>8,777,152</u>	<u>8,102,372</u>
Non-current assets			
Financial assets		127,338	109,075
Property, plant and equipment	13	69,258,063	70,540,831
Right-of-use assets	11	473,701	180,430
Deferred tax assets	14	3,817,691	3,639,182
Total non-current assets		<u>73,676,793</u>	<u>74,469,518</u>
Total assets		<u>82,453,945</u>	<u>82,571,890</u>
Liabilities			
Current liabilities			
Trade and other payables	15	7,259,422	6,236,866
Borrowings	16	1,650,140	35,228,535
Lease liabilities	17	169,180	62,326
Financial liabilities		-	472,260
Employee benefits	18	1,250,455	1,791,609
Income in advance	19	87,259	-
Total current liabilities		<u>10,416,456</u>	<u>43,791,596</u>
Non-current liabilities			
Borrowings	16	34,615,022	2,609,844
Lease liabilities	17	301,826	125,785
Deferred tax liabilities	20	6,794,856	6,419,830
Employee benefits	18	119,743	102,808
Total non-current liabilities		<u>41,831,447</u>	<u>9,258,267</u>
Total liabilities		<u>52,247,903</u>	<u>53,049,863</u>
Net assets		<u>30,206,042</u>	<u>29,522,027</u>
Equity			
Issued capital	21	4,125,038	3,688,768
Reserves	22	12,053,568	12,053,568
Retained profits		<u>14,027,436</u>	<u>13,779,691</u>
Total equity		<u>30,206,042</u>	<u>29,522,027</u>

The above statement of financial position should be read in conjunction with the accompanying notes

The Community Co-operative Store (Nuriootpa) Limited
Statement of changes in equity
For the year ended 30 June 2022

	Ordinary Shares \$	Asset Realisation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	3,840,046	12,053,568	14,102,521	29,996,135
Transactions with owners in their capacity as owners				
Issue of shares	142,394	-	-	142,394
Shares bought back during the year	(293,672)	-	-	(293,672)
	3,688,768	12,053,568	14,102,521	29,844,857
Loss after income tax benefit for the year	-	-	(322,830)	(322,830)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(322,830)	(322,830)
Balance at 30 June 2021	<u>3,688,768</u>	<u>12,053,568</u>	<u>13,779,691</u>	<u>29,522,027</u>

	Ordinary Shares \$	Asset Realisation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	3,688,768	12,053,568	13,779,691	29,522,027
Transactions with owners in their capacity as owners				
Issue of shares	535,660	-	-	535,660
Shares bought back during the year	(99,390)	-	-	(99,390)
	4,125,038	12,053,568	13,779,691	29,958,297
Profit after income tax expense for the year	-	-	447,859	447,859
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	447,859	447,859
Rebates distributed	-	-	(200,114)	(200,114)
Balance at 30 June 2022	<u>4,125,038</u>	<u>12,053,568</u>	<u>14,027,436</u>	<u>30,206,042</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Community Co-operative Store (Nuriootpa) Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		80,090,213	74,246,103
Payments to suppliers and employees		(75,844,835)	(69,952,341)
Interest received		1,864	1,631
Borrowing costs		(1,561,156)	(1,863,465)
Appropriations from/(to) members		199,942	(153)
Net cash from operating activities	30	<u>2,886,028</u>	<u>2,431,775</u>
Cash flows from investing activities			
Proceeds from sale of plant and equipment		2,719	4,822
Purchase of property, plant & equipment		(653,125)	(1,393,489)
Payments for investments		-	(10,584)
Net fair value movement of interest rate swaps		(472,260)	(488,275)
Net cash used in investing activities		<u>(1,122,666)</u>	<u>(1,887,526)</u>
Cash flows from financing activities			
Net proceeds/ (payment) from issue and redemption of shares		436,270	(151,278)
Repayment of borrowings		(1,504,870)	(1,077,283)
Repayment of lease liabilities		(192,818)	(69,837)
Net cash used in financing activities		<u>(1,261,418)</u>	<u>(1,298,398)</u>
Net increase/(decrease) in cash and cash equivalents		501,944	(754,149)
Cash and cash equivalents at the beginning of the financial year		<u>(62,600)</u>	<u>691,549</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>439,344</u></u>	<u><u>(62,600)</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 1. General information

The financial statements cover The Community Co-operative Store (Nuriootpa) Limited and its controlled entity ('the Group'). The Community Co-operative Store (Nuriootpa) Limited is a for-profit Co-op, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 23 September 2022

When required by Australian Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Registered office and Principal place of business

The Community Co-Operative Store (Nuriootpa) Limited
3 Murray Street
Nuriootpa, South Australia

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

Comparatives are consistent with prior years, unless otherwise stated.

Note 2. Basis of Preparation

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Note 3. Significant accounting policies

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. A controlled entity is any entity over which The Community Co-operative Store (Nuriootpa) has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. The controlled entity has a June financial year end.

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 3. Significant accounting policies (continued)

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Revenue recognition

The group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 3. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. In using this practical expedient, the Group uses its historical experience, external factors and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess the provision for expected credit losses on a collective basis as they possess credit risk characteristics based on the days past due.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 3. Significant accounting policies (continued)

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Independent valuations were carried out in June 2020 by P Tilley (Certified Practising Valuer) of Herron Todd White (South Australia) Pty Ltd.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2.5% - 4%
Plant and equipment	5% - 50%
Motor Vehicles	18.75%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 3. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going concern

As at 30 June 2022, the Group had net assets of \$30,206,042 (2021: \$29,522,027), a net deficiency of current assets to current liabilities of \$1,639,304 (2021: \$35,689,224) and incurred a profit before tax for the year of \$644,376 (2021: loss \$457,492).

The following matters have been considered by the Directors in determining the appropriateness of the going concern basis of preparation in the financial statements:

- The financial performance and trading results of the Group from balance date to the date of signing these financial statements;
- The continued improvement in the Group's trading results on a year on year basis;
- Sales and profitability forecasts for the subsequent financial year; and
- The continued support of the Group's lenders. As indicated in note 16, the Group breached a banking covenant during the year. The bank has formally agreed not to exercise its rights relating to this breach. The Group's finance facility expires July 2024 and is subject to annual review each year. The Directors are confident of the continued support of the Group's lender through the ongoing provision of finance including at the annual review process each year.

In making its assessment, Management acknowledges that the ability of the Group to continue as going concern is dependent on the generation of sufficient profits and positive cash flows and the continued support of the shareholders and lenders.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The Community Co-operative Store (Nuriootpa) Limited
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Note 4. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Land and property held at fair value

The Group carries its land and buildings at fair value with changes in the fair value recognised in the revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Note 5. Revenue

	2022	2021
	\$	\$
From continuing operations		
Sales of goods	69,182,356	64,123,494
Rental revenue	2,516,637	2,364,136
Other revenue	1,015,178	1,257,236
	<u>3,531,815</u>	<u>3,621,372</u>
Revenue	<u><u>72,714,171</u></u>	<u><u>67,744,866</u></u>
	2022	2021
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	70,195,670	65,379,099
Services transferred over time	2,518,501	2,365,767
	<u><u>72,714,171</u></u>	<u><u>67,744,866</u></u>

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Notes to the financial statements
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Note 6. Result for the year

	2022	2021
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	<u>48,925,741</u>	<u>46,357,486</u>
<i>Other expenses</i>		
Employee benefit expense	13,456,205	12,491,040
Depreciation expense	<u>2,097,215</u>	<u>2,002,149</u>
	<u>15,553,420</u>	<u>14,493,189</u>
<i>Finance costs</i>		
Interest	1,352,398	1,577,891
Interest on finance leases	21,098	10,367
Interest rate swap	<u>208,758</u>	<u>285,574</u>
Finance costs expensed	<u>1,582,254</u>	<u>1,873,832</u>

Note 7. Income tax expense/(benefit)

	2022	2021
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	(399,259)	63,584
Deferred tax	<u>595,776</u>	<u>(198,246)</u>
Aggregate income tax expense/(benefit)	<u>196,517</u>	<u>(134,662)</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	<u>644,376</u>	<u>(457,492)</u>
Tax at the statutory tax rate of 30%	193,313	(137,248)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-allowable items	<u>3,204</u>	<u>2,586</u>
Income tax expense/(benefit)	<u>196,517</u>	<u>(134,662)</u>

The Community Co-operative Store (Nuriootpa) Limited
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Note 8. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>439,344</u>	<u>405,975</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	439,344	405,975
Bank overdraft (note 16)	<u>-</u>	<u>(468,575)</u>
Balance as per statement of cash flows	<u>439,344</u>	<u>(62,600)</u>

Note 9. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	1,106,919	1,115,623
Less: Allowance for expected credit losses (a)	<u>-</u>	<u>-</u>
	<u>1,106,919</u>	<u>1,115,623</u>
Other receivables	<u>197,356</u>	<u>302,063</u>
	<u>1,304,275</u>	<u>1,417,686</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Expected credit losses

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 is determined as follows, the expected credit losses ("ECL") incorporate forward looking information.

	< 30 days	< 90 days	> 90 days	Total
30 June 2022				
Gross carrying amount (\$)	902,805	89,477	114,637	1,106,919
ECL provision	-	-	-	-
30 June 2021				
Gross carrying amount (\$)	1,011,078	101,129	3,416	1,115,623
ECL provision	-	-	-	-

(b) Collateral held as security

The Group does not hold any collateral over any receivables balances.

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Note 10. Inventories

	2022	2021
	\$	\$
<i>Current assets</i>		
Merchandise on hand	7,007,639	6,206,587
Provision for net realisable value	<u>(100,963)</u>	<u>(94,101)</u>
	<u><u>6,906,676</u></u>	<u><u>6,112,486</u></u>

Inventories have been reduced by \$100,963 (2021: \$94,101) as a result of the provision for net realisable value provided during the year. Such provision was recognised as an expense during 2022.

Note 11. Right-of-use assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Right-of-use assets	828,617	305,518
Less: Accumulated depreciation	<u>(354,916)</u>	<u>(125,088)</u>
	<u><u>473,701</u></u>	<u><u>180,430</u></u>

Additions to the right-of-use assets during the year were \$523,099 and depreciation charged to profit or loss was \$161,490.

The Group holds leases for 5 vehicles, 2 cash machines, a printer and a financial services arrangement. The term of the vehicle leases is 5 years and remaining leases have terms of 7 years.

Note 12. Other

	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	<u>126,857</u>	<u>166,225</u>

The Community Co-operative Store (Nuriootpa) Limited
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Note 13. Property, plant and equipment

	2022 \$	2021 \$
<i>Non-current assets</i>		
Buildings - at independent valuation	49,719,000	49,719,000
Buildings - at cost	3,282,372	1,431,795
Accumulated depreciation	<u>(2,102,778)</u>	<u>(1,047,666)</u>
	50,898,594	50,103,129
Freehold land - at independent valuation	<u>12,939,000</u>	<u>12,939,000</u>
Plant and equipment - at cost	9,803,293	9,706,296
Accumulated depreciation	<u>(4,751,469)</u>	<u>(4,409,854)</u>
	5,051,824	5,296,442
Motor vehicles - at cost	4,404	98,241
Accumulated depreciation	<u>(1,429)</u>	<u>(95,589)</u>
	2,975	2,652
Low value asset pool - at cost	210,496	192,245
Less: Accumulated depreciation	<u>(164,825)</u>	<u>(123,546)</u>
	45,671	68,699
Capital works in progress - at cost	<u>319,999</u>	<u>2,130,909</u>
	<u><u>69,258,063</u></u>	<u><u>70,540,831</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Capital Works in Progress \$	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Low Value Asset Pool \$	Total \$
Balance at 1 July 2021	2,130,909	12,939,000	50,103,129	5,296,442	2,652	68,699	70,540,831
Additions	306,184	-	-	327,741	949	18,251	653,125
Disposals	-	-	-	(168)	-	-	(168)
Transfers in/(out)	(2,117,094)	-	1,850,577	266,517	-	-	-
Depreciation expense	-	-	(1,055,112)	(838,708)	(626)	(41,279)	(1,935,725)
Balance at 30 June 2022	<u>319,999</u>	<u>12,939,000</u>	<u>50,898,594</u>	<u>5,051,824</u>	<u>2,975</u>	<u>45,671</u>	<u>69,258,063</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in June 2020 based on independent assessments by P Tilley (Certified Practising Valuer) of Heron Todd White (South Australia) Pty Ltd. Accordingly, the land and buildings were revalued at fair value as at 30 June 2020. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

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Note 14. Deferred tax assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Carried forward losses	3,219,675	2,820,417
Provisions	598,016	818,765
	<u>3,817,691</u>	<u>3,639,182</u>
Deferred tax asset	<u><u>3,817,691</u></u>	<u><u>3,639,182</u></u>

Note 15. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	6,038,056	5,199,635
Unclaimed members appropriations from closed accounts	90,608	90,780
GST payable	96,261	72,057
Sundry payables and accrued expenses	1,034,497	874,394
	<u>7,259,422</u>	<u>6,236,866</u>
	<u><u>7,259,422</u></u>	<u><u>6,236,866</u></u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Note 16. Borrowings

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	-	468,575
Bank loans	1,200,000	34,622,600
Other loans - members	450,140	137,360
	<u>1,650,140</u>	<u>35,228,535</u>
<i>Non-current liabilities</i>		
Bank loans	32,200,000	-
Other loans - members	2,415,022	2,609,844
	<u>34,615,022</u>	<u>2,609,844</u>
	<u><u>36,265,162</u></u>	<u><u>37,838,379</u></u>

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Note 16. Borrowings (continued)

Total secured liabilities

The total secured liabilities are as follows:

	2022	2021
	\$	\$
Bank overdraft	-	468,575
Bank loans	33,400,000	34,622,600
	<u>33,400,000</u>	<u>35,091,175</u>

The carrying amounts of non-current assets pledged as collateral for liabilities are:
 First Mortgage:

	2022	2021
	\$	\$
Freehold land and buildings	<u>63,508,738</u>	<u>63,042,129</u>

Collateral Provided

The bank debt with Commonwealth Bank of Australia (CBA) is secured by a first registered mortgage over all freehold properties owned by the Group.

Cash and cash equivalents are pledged against the bank overdraft on an ongoing floating basis for the term of the bank overdraft's maturity. The current facility maturity date is 31 July 2024.

Compliance requirements

Under the terms of the facility in place during the period, the following minimum EBITDA is to be maintained during the term of the facility:

12 months ending:	EBITDA to be greater than:
30 September 2021	\$3,000,000
31 December 2021	\$3,400,000
31 March 2022	\$3,100,000
30 June 2022	\$3,400,000

All covenants were met in the reporting period, with the exception of the 12 months ending 31 December 2021. The Commonwealth Bank of Australia (CBA) has formally agreed not to exercise its rights relating to this breach.

The Community Co-operative Store (Nuriootpa) Limited
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Note 17. Lease liabilities

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	169,180	62,326
<i>Non-current liabilities</i>		
Lease liability	301,826	125,785
	<u>471,006</u>	<u>188,111</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	182,904	69,839
One to five years	329,562	131,698
	<u>512,466</u>	<u>201,537</u>

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

Depreciation of right-of-use assets	161,490	62,544
Interest on finance leases	21,098	10,367

Note 18. Employee benefits

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	668,626	549,751
Long service leave	581,439	541,858
Provision for salaries and wages	390	700,000
	<u>1,250,455</u>	<u>1,791,609</u>
<i>Non-current liabilities</i>		
Long service leave	119,743	102,808
	<u>1,370,198</u>	<u>1,894,417</u>

Note 19. Income in advance

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Income in advance - click and collect	87,259	-
	<u>87,259</u>	<u>-</u>

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Note 20. Deferred tax liabilities

	2022 \$	2021 \$
<i>Non-current liabilities</i>		
Deferred tax liability	<u>6,794,856</u>	<u>6,419,830</u>

Note 21. Issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	<u>2,062,519</u>	<u>1,844,384</u>	<u>4,125,038</u>	<u>3,688,768</u>

(a) Ordinary shares

At the beginning of the reporting period	1,844,384	1,920,023
Shares issued during the year	267,830	71,197
Shares redeemed during the year	<u>(49,695)</u>	<u>(146,836)</u>
	<u>2,062,519</u>	<u>1,844,384</u>

Ordinary shares

The capital of the parent company consists of unlimited number of shares of a nominal value of \$2.00 each. The maximum shareholding of any one individual shareholder is 20% of nominal capital. The shares may be redeemed, upon application of a Member, or transferred to a Member, subject to approval of the Board of Directors.

Note 22. Reserves

	2022 \$	2021 \$
Asset revaluation reserve	<u>12,053,568</u>	<u>12,053,568</u>

Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of property, plant and equipment held under the revaluation model.

The Community Co-operative Store (Nuriootpa) Limited
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Note 23. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Bank overdrafts and borrowings
- Financial assets
- Trade and other payables
- Lease liabilities
- Floating rate bank loans

(a) Summary table

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents (note 8)	439,344	405,975
Other assets (note 12)	126,857	166,225
Trade and other receivables (note 9)	1,304,275	1,417,686
Equity securities at fair value through Profit or Loss Statement	127,338	109,075
	<u>1,997,814</u>	<u>2,098,961</u>
	2022	2021
Financial Liabilities		
Trade and other payables (note 15)	7,259,422	6,236,866
Financial liabilities at fair value:	-	-
Derivatives used for hedging	-	472,260
Lease liabilities (note 17)	471,006	188,111
Borrowings (note 16)	36,265,162	37,838,379
	<u>43,995,590</u>	<u>44,735,616</u>

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Note 23. Financial risk management (continued)

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and other market risks and assessment of market forecasts for interest rate and other market movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place. The Community Co-operative Store (Nuriootpa) Limited does not actively engage in trading of financial assets for speculative purposes nor does it write options. Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debtors or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and

Typically, the Group ensures it has sufficient cash or bank facilities on demand to meet expected operational expenses for a period of 60 days. The available funds to the Group are disclosed in Note 29.

Note 23. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of the contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.

It is the Group's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Board of Directors, these limits are reviewed on a regular basis.

Security

Trade receivables consist of a large number of customers in various industries. The Group does not hold any security on the trade receivables balance. In addition, the Group does not hold collateral relating to other financial assets.

Trade receivables

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk which result from its financing activities.

(i) Interest rate risk

The Group is exposed to interest rate risk as funds are borrowed at floating rates.

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

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Note 24. Key management personnel remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity is considered key management personnel.

Key management of the Group are the Board of Directors and other key management personnel. The totals of remuneration paid to key management personnel of the Co-operative and the Group.

Key management personnel remuneration included within employee expenses for the year is shown below:

	2022	2021
	\$	\$
Short-term employee benefits	780,552	673,202
Post-employment benefits	73,418	61,219
	<u>853,970</u>	<u>734,421</u>

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the group:

	2022	2021
	\$	\$
<i>Audit services -</i>		
Audit of the financial statements	<u>56,750</u>	<u>55,600</u>
<i>Other services -</i>		
Taxation compliance	<u>7,700</u>	<u>7,000</u>
	<u>64,450</u>	<u>62,600</u>

Note 26. Fair value measurement

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transactions.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, commonly used by market participants.

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three AASB13(93)(a),(b) level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

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Note 26. Fair value measurement (continued)

	Level 1	Level 2	Level 3	Total
30 June 2022				
<i>Assets</i>				
Equity instruments at fair value through profit or loss	-	127,338	-	127,338
30 June 2021				
<i>Assets</i>				
Equity instruments at fair value through profit or loss	-	109,075	-	109,075
<i>Liabilities</i>				
Derivatives used for hedging	-	472,260	-	472,260

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 27. Contingencies

In the opinion of the Directors, the Co-op did not have any contingencies at 30 June 2022 (30 June 2021: None).

Note 28. Capital and Leasing Commitments

There are no capital expenditure commitments in the financial statements.

Note 29. Related parties

The Group's main related parties are as follows:

Parent entity

The ultimate parent entity, which exercises control over the Group, is The Community Co-operative Store (Nuriootpa) Limited which is incorporated in Australia and owns 100% of Heritage Stores Pty Limited.

Key management personnel

Disclosures relating to key management personnel are set out in note 24.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The number of ordinary shares in The Community Co-operative Store (Nuriootpa) Limited held by each key management person of the Group during the financial year is as follows:

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Note 29. Related parties (continued)

Directors	Opening balance No.	Changes during the year No.	Closing balance No.
Auld, John	110	-	110
Curnow, John	1,049	17	1,066
March, James	225	-	225
Renshaw, Kevin	12	-	12
Tolhurst, Rebecca	486	22	508
Bogomolova, Svetlana	100	(100)	-
Myers, Andrew	251	3	254
Retallick, Neil	5	-	5
Holmes, Sam	-	1	1
Craddock, Bruce	74	3	77
	<u>2,312</u>	<u>(54)</u>	<u>2,258</u>

Note 30. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit/(loss) after income tax (expense)/benefit for the year	447,859	(322,830)
Adjustments for:		
Depreciation	2,097,215	2,002,149
Net gain on disposal of property, plant and equipment	(2,551)	(601)
Fair value movements on financial instruments	472,260	488,275
Distributions reinvested	(18,263)	-
Interest on AASB 16 leases	21,098	10,367
Revaluations of ROU and leases	(146)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	152,779	(90,557)
Increase in inventories	(794,190)	(1,051,625)
Increase in trade and other payables	1,309,929	1,155,485
Increase/(decrease) in employee benefits	(524,219)	864,050
Decrease in financial liabilities	(472,260)	(488,275)
Increase/(decrease) in income taxes payable	196,517	(134,663)
Net cash from operating activities	<u>2,886,028</u>	<u>2,431,775</u>

Note 31. Events after the reporting period

The financial report was authorised for issue on 23 September 2022 by the board of directors

No matter or circumstance has arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The Community Co-operative Store (Nuriootpa) Limited
Notes to the financial statements
30 June 2022

Note 32. Parent entity

Statement of Financial Position	2022	2021
	\$	\$
Assets		
Current assets	8,774,777	7,909,156
Non-current assets	<u>69,499,722</u>	<u>70,314,842</u>
Total Assets	<u><u>78,274,499</u></u>	<u><u>78,223,998</u></u>
Liabilities		
Current liabilities	10,393,158	43,760,329
Non-current liabilities	<u>36,380,532</u>	<u>3,700,875</u>
Total Liabilities	<u><u>46,773,690</u></u>	<u><u>47,461,204</u></u>
Equity		
Issued capital	3,875,038	3,438,768
Retained earnings	16,669,103	16,367,358
Revaluation surplus	<u>10,956,668</u>	<u>10,956,668</u>
Total Equity	<u><u>31,500,809</u></u>	<u><u>30,762,794</u></u>
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(501,859)	(258,412)
Total comprehensive income	<u><u>(501,859)</u></u>	<u><u>(258,412)</u></u>

The Community Co-operative Store (Nuriootpa) Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Ms Rebecca Tolhurst
Chair of the Board

Mr Kevin Renshaw
Chair of the Audit and Risk Committee

23 September 2022

The Community Co-operative Store (Nuriootpa) Limited
Independent auditor's report to the members of The Community Co-operative Store (Nuriootpa) Limited

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The Community Co-operative Store (Nuriootpa) Limited
Independent auditor's report to the members of The Community Co-operative Store (Nuriootpa) Limited

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