



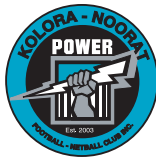
2013/2014

ANNUAL REPORT



SUPPORTING OUR COMMUNITY

THE TERANG CO-OP IS PROUD TO HAVE SUPPORTED MANY COMMUNITY GROUPS AND ORGANISATIONS THROUGHOUT THE 2013/14 YEAR, SOME OF WHICH ARE NOTED BELOW.



Terang Racing Club



**TERANG HARNESSS
RACING CLUB INC.**



- Mt Emu Creek Pony Club
- Gala Night Trailer Stock
- Terang Bowling Club
- Kids with Cancer

- Terang Golf Club
- May Noonan Hostel
- Noorat Show
- SW TAFE Apprentice Awards

- Abbeyfield House
- Mortlake Kindergarten
- Great South Coast Leadership Program



NOTICE OF MEETING

DIRECTORS

Mr Wayne Johnstone (Chairman)
Mr Nigel Bruckner (Vice Chairman)
Mr Robert Durant
Mrs Janine Fitzpatrick (resigned 26th June 2013)
Mr Matthew Henderson
Mr Brendan Kenna
Ms Vicki Whiting
Ms Linda Kenna (appointed 25th September 2013)

GENERAL MANAGER & SECRETARY

Mr Charlie Duynhoven

BUSINESS & FINANCE MANAGER

Mr Damien Ryan

Notice is hereby given that the 105th Annual General Meeting of the Terang & District Co-operative Limited will be held in the Co-op Boardroom, 1st floor, 30-38 High Street, Terang on Wednesday June 25th 2014 at 11.00am.

BUSINESS

1. To confirm the Minutes of the 104th Annual General Meeting held on 19th June 2013
2. To receive and adopt the Financial Statements, Directors' Report and Auditor's Report for the year ending February 28th 2014
3. To elect Directors in accordance with the Co-operative Act 1996
4. To receive the Chairman's Report
5. To receive the General Manager's Report
6. To review remuneration of Directors for the ensuing year
7. General Business



By order of the Board
CHARLIE DUYNHOVEN
General Manager

CHAIRMAN'S REPORT

On behalf of the Board of Directors of the Terang and District Co-operative Ltd, I am pleased to present the 2013/2014 Annual Report.

Our Board is gratified that we have traded through an extremely difficult economic period for retailers, particularly in the dairy sector, and have still been able to announce a trading profit.

Collectively the Board determined early last year that we must continue to support our rural businesses for our farmer members and resist short term cuts to services, retain key staff and continue to invest in the business in preparation for better economic times. While this decision has impacted our profitability in 2013/14, it is important for the long term prosperity of the Co-op and the region. We are pleased that the early results for the 2014/15 trading year endorse this decision taken.

Our Co-op continues to expand our membership and we welcomed 72 new members this year. This support provides encouragement to us as we deliver for the Terang and District community. Members can be in no doubt that you are central to what drives our Co-op. During the year \$176,459 worth of loyalty-point benefits was provided to members. In addition to these benefits, I am also pleased to report the Board has resolved to provide a bonus allocation of points for members, representing 10% of shareholding, to recognise your loyal support over 2013-2014.

The Co-op today is benefitting from the sound business and investment decisions made by our previous custodians. Our current Board is acutely aware that our primary role is to look forward and ensure that we put initiatives in place now that will keep us and our local community not only relevant but able to look to a vibrant future.

During this year we: upgraded our strategic plan with an emphasis in the next twelve months on training and employee capability, strengthening our existing businesses and investing in information technology; reviewed our organisation and management structure to ensure we are prepared for what the future might look like five or more years down the track; assessed several new business opportunities, two of which are now about to commence operations, being the relocation of Dairy Services to the former Plumbtec site and the establishment of Camperdown Hardware; and, continued to work with the council and other parties to get a resolution to Johnstone Court as we understand the importance of this iconic structure to the health of retailing in Terang.

Again this year we continued our strong commitment to the community by providing sponsorship, donations and discounts to sporting clubs, community organisations, health and aged care facilities, staff and senior citizens with a total of \$117,988 distributed into the community. Additionally, we committed to support Peters Project this year, recognising the importance of such a centre for our many members and our

community more generally. Many of our staff also contribute their time to many community organisations which is both encouraged and appreciated.

Co-op members can be assured of the positive working relationship between the Board and our employees ably led by General Manager Charlie Duynhoven. Store Managers regularly attend Board meetings to discuss their operations and future needs, an important exercise to ensure that the Directors' thinking and planning is abreast of the current trading environment and emerging industry trends. We are proud of the team of employees that, every day, demonstrate dedication to their role of providing friendly and knowledgeable service to meet the needs and requests of our customers. Our gratitude and thanks is extended to you all.

On a proud note, we will acknowledge a major milestone with Charlie Duynhoven clocking up 40 years of service by the 2014 Annual General Meeting. This represents an enormous achievement of outstanding loyalty and commitment to this great organisation. In acknowledging this, we remind ourselves to continue to value the legacy of people who developed this organisation and cherish our proud history. We were delighted during the year to accept from the Brennan family the original photo of inaugural Chairman Martin Brennan, which now takes pride of place in the Board Room.

In wrapping up the year, this is the appropriate forum to thank our outgoing Board Members, Janine Fitzpatrick and Rob Durant, for their invaluable contribution over the last 7 years. Gratitude is expressed to my fellow Board members for their efforts and their diligence on behalf of all members.

During the past year we welcomed Linda Kenna to the Board table. Linda, like Board members before her, has brought new skills and perspective to our deliberations. Our Board is active in continually refreshing its composition so as to bring new ideas and approaches to the way we service our members' needs.

Finally, but most importantly, we acknowledge you, our members and customers for your ongoing support. We are fortunate to live in a part of the world where the local community is strong and supports each other, and your commitment to the Terang Co-op is testament to that. We look forward to continuing this strong relationship in the next twelve months and beyond.

WAYNE JOHNSTONE
Chairman

GENERAL MANAGER'S REPORT

This past year could be best summarised as a one where we actively protected the business in the face of an extremely difficult trading environment and set about planning new initiatives to strengthen the business for the return of better conditions. We are pleased on both fronts to report a trading year profit before tax of \$70,347, to have generated sales activity beyond \$19M and to now see the improved trading as a result of these steps taken.

Our four businesses, the supermarket, hardware, rural and dairy service divisions all developed their retail offer in the past year, even though profitability was down, particularly in the rural sector.

Our Dairy Services Division is now well established, with a strong team of technicians, and we continue to refine our rural offer. During the past 12 months we brightened up the external rural store with new CRT signage, installed GPS units in our delivery trucks, invested in our computer systems and initiated improvements to the member points system.

While these initiatives are visible, the management team has been busy working on many other activities which are less so. These include development of rural store on-farm visits program, project management and contract systems for new dairy constructions and assessment of new business opportunities, in both our current and other locations. We trust that members will see the benefits of some of this work over the next 12 months.

We believe it is important that we continually measure our performance, directly through customer feedback and comparatively by way of benchmarking with our peers, using independent industry-benchmark data. This is particularly vital when prior year comparisons are distorted by abnormal trading circumstances. We are pleased that we have achieved results that place us favourably with our peer organisations, particularly in our Supermarket and Hardware divisions. While it is a considerable time investment, we also ensure that key team members regularly visit stores in other regions and attend group conferences to identify best practices in each of our businesses.

Last year we announced that we wished to better recognise members and identify new ways to reward this loyalty. While the primary benefit to members is always to have strong vibrant businesses, with quality shopping amenities and good knowledgeable service presented in a convenient location, extra rewards are also a nice way to say thankyou. We initiated members' week where we partnered with our suppliers to provide information sessions, one-off shopping discounts as well as significant prize draws to lucky shoppers. The feedback has been positive and reinforces the value of being a member and supporting our own Co-op.

I am pleased to reinforce to the members that our team

works diligently and co-operatively to deliver to your needs. We appreciate the Board's support and guidance and we have a management group and team members throughout the whole business whose efforts I am extremely proud of. We invested time and money into improving our Human Resources Management systems this year to make sure we better support and develop our people. Our business is also fortunate to have strong partnerships with our suppliers and through our valued buying groups. They consistently provide that extra support whenever asked which is gratefully acknowledged.

In commending our team members, I also acknowledge the contribution and support provided to me by our Accountant Brad Pitt, who departed towards the end of the year after more than six years, and welcome Damien Ryan who takes up the Business & Finance Manager role. During the year we also welcomed local Craig Kenna back to Terang to join our accounts team. A significant milestone during the year was achieved by Paul Hay with 25 years' service to the Co-op.

Finally, in wrapping up an eventful year, I reserve my most important thankyou to you, our customers and members. You have supported us as always and provide us with the confidence to continue to invest and develop this business for your benefit. Our team looks forward to continuing to do so in the future years as we build on a proud 105 year-old institution.

CHARLIE DUYNHOVEN
General Manager

DIRECTORS' REPORT

YOUR DIRECTORS PRESENT THEIR REPORT ON THE CO-OPERATIVE FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014.

DIRECTORS

The names of the directors in office at any time during, or since the end of, the year are:

Mr Wayne Johnstone (Chairman)
Mr Nigel Bruckner (Vice Chairman)
Mr Robert Durant
Mrs Janine Fitzpatrick (resigned 26th June 2013)
Mr Matthew Henderson
Mr Brendan Kenna
Mrs Vicki Whiting
Ms Linda Kenna (appointed 25th September 2013)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS' MEETINGS

Directors meeting attendance for the year was as follows:

Director	Attended	Eligible
Wayne Johnstone	11	12
Nigel Bruckner	10	12
Robert Durant	9	12
Janine Fitzpatrick	2	4
Matthew Henderson	9	12
Brendan Kenna	12	12
Vicki Whiting	11	12
Linda Kenna	6	6

Additionally, all directors participate in one or more sub-committees that meet periodically to work through more detailed activities to streamline board meetings. All recommendations from these committees are reported to the full board for adoption.

Committee: Finance & Risk **Chair:** Nigel Bruckner

Members: Brendan Kenna and Robert Durant

Committee: Management Review **Chair:** Wayne Johnstone

Member: Nigel Bruckner

Committee: Facilities & Infrastructure **Chair:** Robert Durant

Members: Wayne Johnstone and Linda Kenna

Committee: Special Projects **Chair:** Matt Henderson

Members: Vicki Whiting and Linda Kenna

RESULT

The net profit of the Terang & District Co-operative Limited for the financial year after providing for income tax amounted to \$50,146 (2013 \$298,668).

ACTIVITIES

The principal activities of the Co-operative, in the course of the year, have been retail food and general merchandise and otherwise carry on the business of trading under the Co-operative Act 1996. No significant change in the nature of these activities occurred during the year.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected, or may significantly affect, the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in future financial years.

LIKELY DEVELOPMENTS

Likely developments in the operations of the Co-operative and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Co-operative.

ENVIRONMENTAL ISSUES

The Co-operative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

DIVIDENDS

No dividends have been declared for the year ended 28 February 2014.

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Co-operative.

PROCEEDINGS AGAINST THE CO-OPERATIVE

No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings.

The Co-operative was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under 307C of the Corporations Act 2001 is included in the full financial report.

Signed in accordance with a resolution of the Board of Directors:

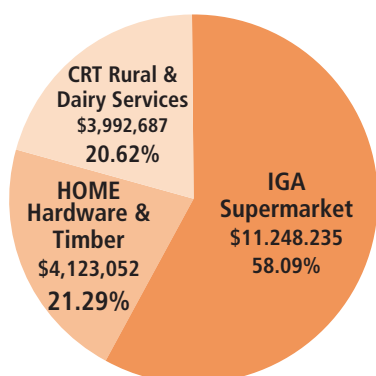


Wayne Johnstone (Chairman)

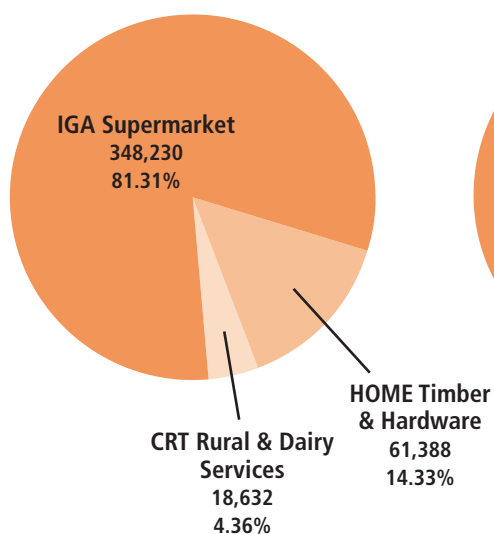
Signed at Terang this 28th day of May 2014.

THE YEAR AT A GLANCE

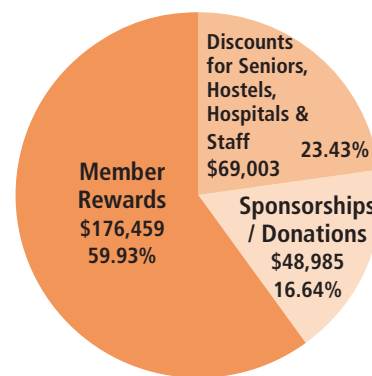
**SALES REVENUE SHARE
2013 – 2014**



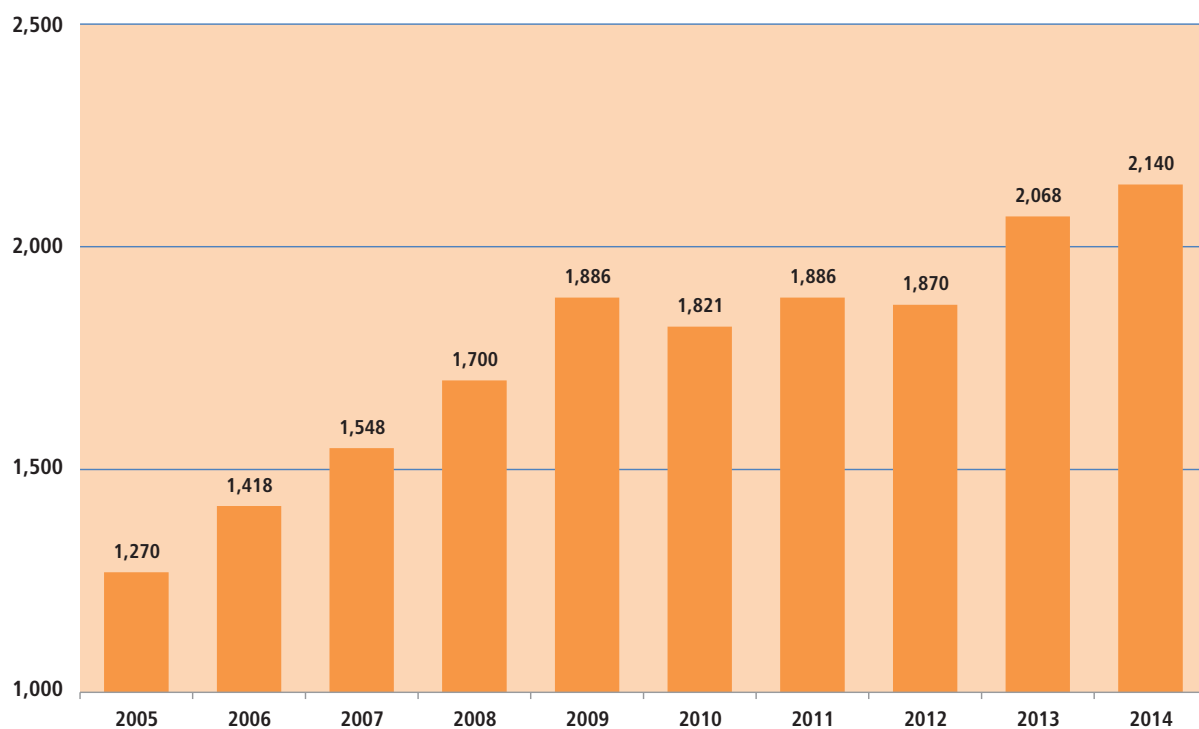
**CUSTOMER VISITS
2013 – 2014**



**BENEFITS DISTRIBUTED
2013-2014**

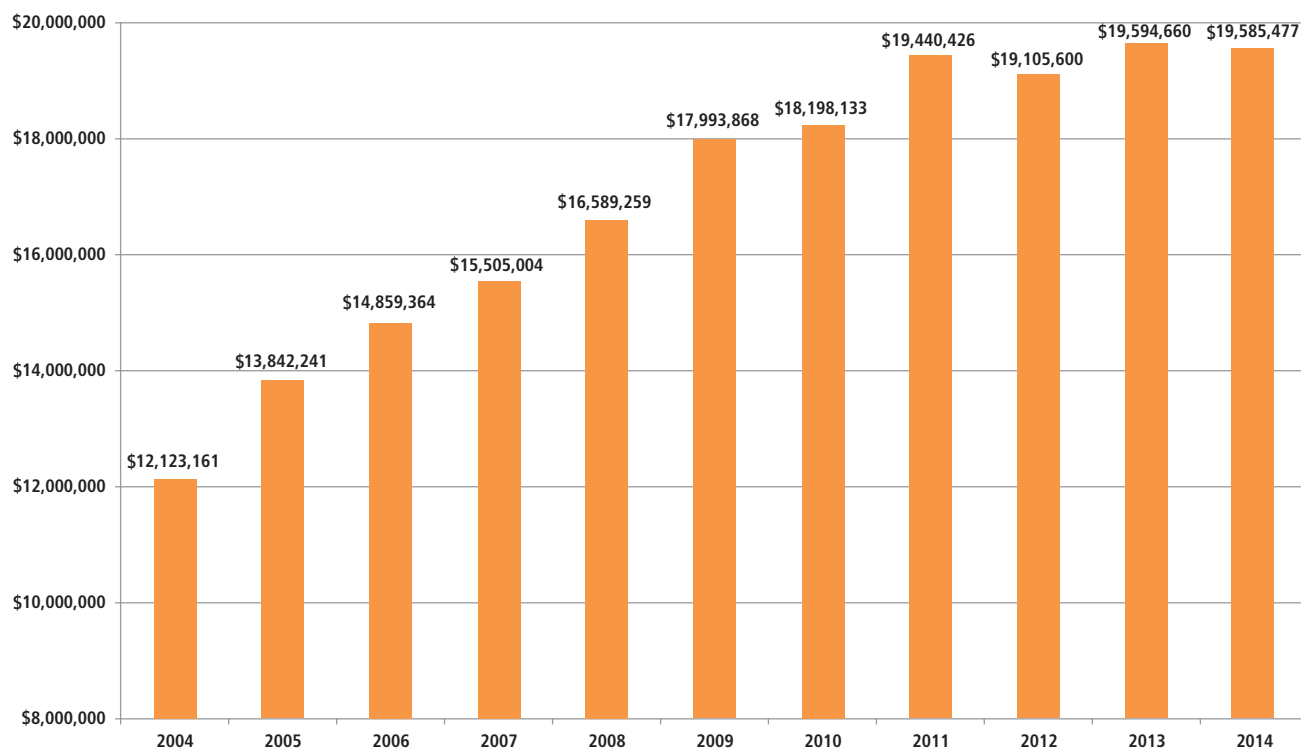


MEMBERSHIP NUMBERS

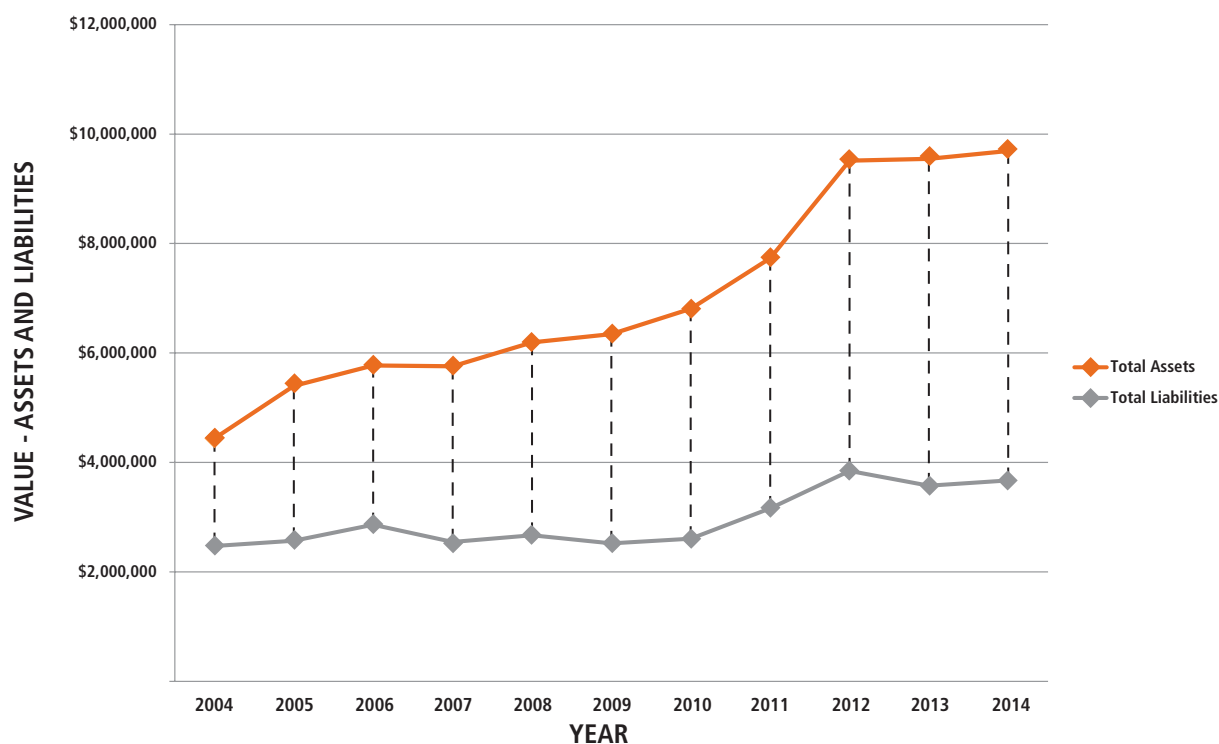


THE YEAR AT A GLANCE

CONSOLIDATED REVENUE



ASSETS COMPARED TO LIABILITIES



MANAGERS' COMMENTS



PAUL BAILEY

– Supa IGA plus Liquor Supermarket Manager

The past twelve months have been challenging. With the cost of doing business on the rise, coupled with the competition from our main two industry rivals out there, it has been a juggling act maintaining profitability. The support provided by Metcash (IGA) in our catalogues, with very sharp specials, has helped to keep us competitive. Combined with all our local suppliers giving us great service, we have managed to finish the year off with our nose in front.

We continue to keep looking at trying to improve our range and offer to our customers. We have extended our range of gluten free and nut free products and we are always willing to try product ranges that our customers may request. We have also started ranging a stand of cut flowers to fill the market gap when Blooms and Boxes closed its doors.

Our second Members Week proved to be a great success again with plenty of giveaways as well as red hot specials on offer for our members. It has been good to be able to show our thanks to our loyal members.

Again this year our staff have proven to be a big asset to the supermarket. The major roles they perform on a daily basis are very important to help run a successful business. So, I would like to thank all my managers and their staff for their continued support and commitment to the Co-op and to our customers. I would also like to congratulate Paul Hay on achieving 25 years of service.

I would also like to thank our customers for their loyalty and continued support over the past twelve months, and look forward to serving you well, if not better, over the coming year.

MICK SAVORY

– HOME Timber & Hardware Manager

Another year come and gone; boy, time flies when you are having fun. It was not all fun though. Thinking back we had a really challenging year. It became obvious how important is the support of our members. For as tough as some months were, from speaking to other Home Hardware stores, we were going ok. So, a big thank you to all our supporters.

This year will be the most exciting since the building of our current store over 12 years ago. An opportunity has come up and we have purchased the Camperdown hardware store. We will set up a small Home hardware store in the current building. This will enable us to expand our customer base and increase sales, giving us greater buying power and more opportunities. Currently, the market is good and it appears a great time to expand.

I would like to thank Gary Blain, Lee McIntosh and the rest of our staff for their efforts. It is our staff's efforts that make our business. Also, I would like to acknowledge Damien Ryan who has fitted seamlessly into the Co-op team as our new business & finance manager. Good luck to all of our members and their families this year.

PETER CLARK – Dairy Services Manager

Although the past year has presented some challenges for all of us in the dairy industry, Dairy Services has been busy completing major projects along with our normal maintenance, shed testing and breakdown service. We are now gearing up for what thankfully appears to be a lot brighter period ahead, with new dairy and upgrade projects taking place.

During the year both Chris Davis and Darcy Rhodes departed and we thank them for their service to the Terang Co-op. To fill this void we welcome to the team Darryl Giblett and Gerard Farley who are both AMMTA qualified technicians. They are both well respected tradesman within the industry and bring with them many years experience with all major brands of milking machines.

The Dairy Services team is also excited to announce that we are soon to move to a new location at the Wallace Plumbtec site at the Terang industrial estate on Cobden Road. As well as still offering Waikato and Boumatic products, there was a need to find a larger premises to incorporate our new GEA Farm Technology range which encompasses Westfalia Surge and Milfos dairy equipment and Houle effluent products. This site will also enable us to grow our business in the supply and installation of the Northern Feed Systems product range as well as supplying sheet metal products, hydraulic hose repairs and steel fabrication.

The Dairy Services team would like to thank all our valued customers for their continued support, and look forward to continuing our relationship in the year ahead.

TREVOR DOWD – CRT Rural Manager

Again this past year we saw one of the toughest years in rural for our region for as long as many can remember; but we come away from it stronger for the experience.

Support for the CRT store this past year has been fantastic. The numbers of customer visits to the store are growing more and more each month as members see the overall change to the store and the great ways that we put our best efforts into offering a great all-round package of service, availability of products and good competitive pricing.

The year ahead is already looking like it will bounce back to a good rural recovery position. We are ready to help you to take your farming enterprises to the next level by having the support structure behind us with the support of our suppliers and buying group CRT.

Jon, Paddy and I thank you for your continuing support and look forward to be able to help you in any way we can whether it be sourcing something a bit different or stocking new lines that will benefit the relationships that we are building together.

Once again, thank you for supporting your Co-op to keep it strong and make it stronger into the future.

FINANCIALS

2013/14

TERANG & DISTRICT CO-OPERATIVE LIMITED STATEMENT OF PRINCIPAL ACCOUNTING OFFICER & DIRECTORS' DECLARATION FOR THE YEAR ENDED 28 FEBRUARY 2014

DIRECTORS' DECLARATION

The directors of the Co-operative declare that the Concise Financial Report for the year ended 28 February 2014, including the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Notes to the financial report:

- (a) comply with Accounting Standard AASB 1039 Concise Financial Reports; and
- (b) is an extract from the full financial report for the year ended 28 February 2014 and has been derived from and is consistent with the full financial report of Terang & District Co-operative Limited.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
Wayne Johnstone (Chairman)

Signed at Terang this 28th day of May 2014.

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER

I, Damien Ryan, the Principal Accounting Officer of the Terang & District Co-operative Limited, state that to the best of my knowledge and belief, the accompanying Concise Financial Report gives a true and fair view of the financial performance and position of the Co-operative for the financial year ended 28 February 2014.



.....
Damien Ryan

Signed at Terang this 28th day of May 2014.

FINANCIALS

2013/14

The concise financial report is an extract from the full financial report for the year ended 28 February 2014. The financial statements and disclosures in the concise financial report have been derived from the 2014 Financial Report of Terang & District Co-operative Limited. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Terang & District Co-operative Limited financial statements and the information contained in the concise financial report has been derived from the full 2014 Financial Report of Terang & District Co-operative Limited.

INCOME STATEMENT

The profit before income tax for the year is \$70,347 representing a decrease from 2013 of \$369,754. Sales and profitability in the rural division, including CRT and dairy services and construction, were down in line with negative economic factors and lack of confidence in the farming sector. Hardware sales also suffered for similar reasons but supermarket sales were steady.

BALANCE SHEET

The Co-operative has reduced outstanding debtors by \$294,146 which reflects the increase in cash available at year end. Inventory levels have also increased by \$221,922, mainly due to stock in the Hardware store. The Co-operative property, plant and equipment purchases were \$255,137 this year. No major upgrades were undertaken. Strategically, a decision was made that this year was one for consolidation to ensure that the Co-op remains in a strong position to seize any future opportunities as they arise.

Total liabilities increased by \$98,596 due in part to refinancing a loan and timing for the payment of trade payables. The equity of the Co-operative increased by \$46,979.

CASH FLOW STATEMENT

Cash flow continues to be a major strength of the Co-op. Persistence in reducing our outstanding debtors balance while maintaining our creditors payments within terms has ensured our focus is rewarded.



FINANCIALS

2013/14

STATEMENT OF COMPREHENSIVE INCOME

	2014 \$	2013 \$
Revenue	19,585,477	19,594,660
Changes in inventories	223,428	94,300
Purchases of inventories	(15,322,966)	(15,017,297)
Employee benefits expense	(3,031,194)	(2,907,712)
Depreciation expense	(235,379)	(242,086)
Finance costs	(32,889)	(80,226)
Other expenses	(1,116,130)	(1,001,538)
Profit before income tax	70,347	440,101
Income tax expense	(20,201)	(141,433)
Profit for the financial year	50,146	298,668
Other comprehensive income		
Revaluation gain/(loss) on financial assets	(4,889)	2,397
Revaluation gain on property assets	0	(719)
Total comprehensive income for the year	45,257	300,346

The accompanying notes form part of these financial statements

FINANCIALS

2013/14

BALANCE SHEET

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash & cash equivalents		752,302	524,907
Trade & other receivables		910,835	1,204,981
Inventories		2,759,996	2,538,074
TOTAL CURRENT ASSETS		4,423,133	4,267,962
NON-CURRENT ASSETS			
Financial assets		53,344	58,233
Property, plant and equipment	3	5,034,158	5,032,276
Deferred tax assets		180,358	186,947
TOTAL NON-CURRENT ASSETS		5,267,860	5,277,456
TOTAL ASSETS		9,690,993	9,545,418
CURRENT LIABILITIES			
Trade & other payables		1,590,294	1,410,613
Other liabilities		214,295	230,856
Interest bearing liabilities	4	236,184	120,000
Tax liabilities		(36,087)	37,934
Provisions		337,766	343,383
TOTAL CURRENT LIABILITIES		2,342,452	2,142,786
NON-CURRENT LIABILITIES			
Interest bearing liabilities	4	643,816	720,000
Tax liabilities		637,287	655,593
Provisions		49,131	55,711
TOTAL NON-CURRENT LIABILITIES		1,330,234	1,431,304
TOTAL LIABILITIES		3,672,686	3,574,090
NET ASSETS		6,018,307	5,971,328
EQUITY			
Contributed equity		134,524	132,802
Reserves		2,033,291	2,038,180
Retained profits		3,850,492	3,800,346
TOTAL EQUITY		6,018,307	5,971,328

The accompanying notes form part of these financial statements

FINANCIALS

2013/14

STATEMENT OF CHANGES IN EQUITY

	2014 \$	2013 \$
Balance at beginning of year	5,971,328	5,666,770
Total comprehensive income for the year	45,257	300,346
Transactions with owners in their capacity as owners		
Shares issued	1,650	2,600
Shares redeemed	(396)	(326)
Adjustment to share balance	468	1,938
Balance at end of year	6,018,307	5,971,328

The accompanying notes form part of these financial statements

FINANCIALS

2013/14

STATEMENT OF CASH FLOWS

	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	19,997,806	19,497,394
Payments to suppliers and employees	(19,436,827)	(18,956,753)
Finance costs	(32,889)	(36,891)
Income tax paid	(105,939)	(69,222)
Net cash provided by / (used in) operating activities	422,151	434,528
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(255,137)	(160,278)
Proceeds from sale of property, plant & equipment	19,127	3,865
Net cash provided by / (used in) investing activities		(236,010)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	150,000	-
Repayment of borrowings	(110,000)	(362,120)
Proceeds from share issue	1,650	-
Payment for shares redeemed	(396)	(326)
Net cash provided by / (used in) financing activities	(41,254)	(362,446)
Net increase / (decrease) in cash held	227,395	(84,331)
Cash & cash equivalents at beginning of year	524,907	609,238
Cash & cash equivalents at end of year	752,302	524,907

The accompanying notes form part of these financial statements

FINANCIALS

2013/14

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract of the full financial report for the year ended 28 February 2014. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, the Co-operatives Act 1996 and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of Terang & District Co-operative Limited. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Terang & District Co-operative Limited as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The financial report of Terang & District Co-operative Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

NOTE 2: SEGMENT INFORMATION

(a) Description of segments

The Co-operative has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

(b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments is as follows:

Hardware & Timber		Rural & Dairy Services		Supermarket		Administration		Total	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue									
4,123,052	4,475,777	3,992,687	3,771,038	11,248,235	11,267,496	221,503	163,088	19,585,477	19,677,399
Total segment expenses									
(4,031,611)	(4,301,914)	(4,225,109)	(3,672,476)	(11,036,907)	(11,099,820)	(221,503)	(163,088)	(19,515,130)	(19,237,298)
Operating result before tax for segment									
91,441	173,863	(232,422)	98,562	211,328	167,676	-	-	70,347	440,101
Segment assets									
1,289,935	1,096,760	611,020	643,757	848,949	797,557	6,941,089	7,007,344	9,690,993	9,545,418
Segment liabilities									
-	-	-	-	-	-	3,672,686	3,574,090	3,672,686	3,574,090

FINANCIALS

2013/14

NOTE 3: PROPERTY, PLANT & EQUIPMENT

	2014 \$	2013 \$
Land - at valuation 29 February 2012	1,085,000	1,085,000
Land Improvements at cost	41,672	-
Total Land	1,126,672	1,085,000
Buildings - at valuation 29 February 2012	3,245,000	3,245,000
Accumulated depreciation	(162,250)	(81,125)
	<u>3,082,750</u>	<u>3,163,875</u>
Buildings - at cost	74,936	5,940
Accumulated depreciation	(924)	(62)
	<u>74,012</u>	<u>5,878</u>
Works in progress	-	2,264
Total Buildings	3,156,762	3,172,017
Plant & Equipment - at cost	1,920,401	1,841,035
Accumulated depreciation	(1,330,052)	(1,213,832)
	<u>590,349</u>	<u>627,203</u>
Motor Vehicles - at cost	402,298	382,468
Accumulated depreciation	(241,923)	(234,412)
	<u>160,375</u>	<u>148,056</u>
Total Property, Plant & Equipment	5,034,158	5,032,276

NOTE 4: BORROWINGS

	2014 \$	2013 \$
Current		
Bank loan - secured (a)	236,184	120,000
Non Current		
Bank loan - secured (a)	643,816	720,000
Total borrowings	880,000	840,000

(a) Secured liabilities

All credit facilities with the Commonwealth Bank of Australia are secured by a first registered mortgage over the properties situated at 30-38 High Street and 4 Baynes Street Terang. Loans are also secured by equitable charge over the assets of the business.

AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TERANG AND DISTRICT CO-OPERATIVE LIMITED

REPORT ON THE CONCISE FINANCIAL REPORT

The accompanying concise financial report of Terang & District Co-operative Limited comprises the balance sheet as at 28 February 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Terang & District Co-operative Limited for the year ended 28 February 2014, as well as the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

DIRECTORS' RESPONSIBILITY FOR THE CONCISE FINANCIAL REPORT

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including Australian Accounting Interpretations) statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Terang & District Co-operative Limited for the year ended 28 February 2014. Our audit report on the financial report for the year was signed on 29th May 2014 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial

report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

AUDITOR'S OPINION

In our opinion, the concise financial report including the discussion and analysis of Terang & District Co-operative Limited for the year ended 28 February 2014 complies with Accounting Standard AASB 1039: Concise Financial Reports.

COFFEY HUNT
CHARTERED ACCOUNTANTS



N.L. MCLEAN
PARTNER

Dated at Warrnarnbool: 30th May 2014

Liability limited by a scheme approved under
Professional Standards Legislation.

NOTES



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