



TERANG & DISTRICT CO-OPERATIVE LIMITED  
ANNUAL REPORT  
**2023-2024**

*Giving back to the community since 2nd July 1908*

**Terang College Kolora Noorat FNC**  
*St Thomas' Primary School Terang & District Racing Club*  
**TERANG MORTLAKE FNC Camperdown College**  
*Mortlake Lions Club Noorat Terang Cricket Club*  
**TERANG CROQUET CLUB Terang Harness Racing Club**  
*Mortlake Cricket Club Camperdown Cricket Club*  
*South West Cricket Association Terang Rotary Club* **Terang Kindergarten**  
**Terang Bowling Club Camperdown Bowling Club**  
**Camperdown P&A Society Inc East Fram Golf Club TERANG SQUASH CLUB INC**  
*WESTERN DISTRICT YOUTH CAMP* **Noorat Show**  
*Terang & District Progress Association* **Terang Fitness Centre Garvoc Hall**  
**Camperdown Little Athletics Club Inc Mortlake Lions Club**  
**TERANG RSL Cobden Recreation Reserve**  
**Terang Golf Club Camperdown FNC**  
**Camperdown CAMPERDOWN GOLF BOWLS CLUB**  
**Horse Trials Mortlake Recreation Reserve**  
**Terang & District Amateur Swimming Club TERANG LIONS CLUB**  
**Terang Olympic Basketball Association Nirranda FNC**  
**Mortlake Golf Club TERANG ATHLETICS CLUB**

# Your Board of Directors



## **GEOFF BARBY - CHAIRMAN**

Geoff joined the Terang Co-op Board in September 2016. He serves on all the Co-op's committees, being the Finance & Audit Committee, the Strategy & Risk Committee and the Governance Committee. Geoff is now retired but his last full-time occupation was in risk management with Powercor following service with the former State Electricity Commission. Geoff has also served on the Terang College School Council and the Terang-Mortlake Health Service Board.



## **NIGEL BRUCKNER**

Nigel joined the Board in early 2011. He chairs the Finance & Audit Committee. Nigel is currently a director at Silvan Ridge Business Advisers after many years operating his own accounting practice, Bruckner & Associates. Nigel has also served on the Terang-Mortlake Health Service Board.



## **ROB DURANT**

Rob's current term on the Board started in October 2018 but he also served on the Board from 2007 to 2014. He serves on the Strategy & Risk Committee. Rob, a qualified agronomist, is semi-retired and works as a casual teacher, in agriculture, with South West TAFE. Rob is currently involved with local community organizations such as the Terang Cemetery Trust and the Terang Racing Club.



## **ELIZABETH GREEN**

Elizabeth joined the Board in March 2020. She is deputy chair of the Co-op and serves on both the Governance Committee and the Finance & Audit Committee. Elizabeth is currently in a senior business management role within the public sector and has formerly held senior positions at Lyndoch Living Ltd and Mpower Inc. Elizabeth has also served in a variety of other community organizations in the local area.



## **BRENDAN KENNA**

Brendan joined the Board in late 2012. He serves on the Co-op's Finance & Audit Committee. Brendan runs a mixed farming operation at Ellerslie and has served other local organizations such as the St Thomas' Primary School Council, the East Framlingham Golf Club and the Terang & District Racing Club.



## **LINDA KENNA**

Linda joined the Board in late 2013. She chairs the Co-op's Governance Committee. Linda has a background in accounting and is currently the business manager at St. Thomas' Primary School in Terang. Linda has served other organizations in the community, including those associated with local schools and sporting clubs.



## **DAVID HARRINGTON**

David joined the Co-op Board in September 2023. He serves as chair of the Co-op's Strategy & Risk Committee. David is currently the Director of Corporate and Community Services at the Corangamite Shire. Prior to that, as a qualified accountant, David had been Finance Manager at the Warrnambool City Council and has held senior finance roles with British Telecom and William Hill in London. David assists in community groups where his young family are active participants including the Warrnambool Rangers Football Club and Our Lady Help of Christians school.

# Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 115TH ANNUAL GENERAL MEETING OF THE TERANG & DISTRICT CO-OPERATIVE LIMITED WILL BE HELD IN THE TERANG CO-OP BOARD ROOM AT 30-38 HIGH STREET, TERANG ON WEDNESDAY 26TH JUNE 2024 AT 11AM

## **BUSINESS**

1. To confirm the Minutes of the 114th Annual General Meeting held on 28th June 2023
2. To receive and adopt the Financial Statements, Directors' Report and Auditor's Report for the year ending 29th February 2024
3. To elect Directors
4. To receive the Chairman's Report
5. To receive the Chief Executive Officer's Report
6. To review remuneration of Directors
7. General Business



By order of the Board  
**DAMIEN RYAN**  
Co-operative Secretary

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# Chairman's REPORT

ON BEHALF OF THE BOARD OF DIRECTORS OF THE TERANG AND DISTRICT CO-OPERATIVE LIMITED, I AM PLEASED TO PRESENT THE 2023-2024 ANNUAL REPORT.

Far and above all other matters before the Board this year was the appointment of a new CEO to build on the excellent work carried out by Kevin Ford and position the Co-op to grow and continue to partner with the community in a prosperous future. In this regard I would like to welcome Gary Tempany to the role and underline the Board's support for him as he takes the Co-op forward. Gary has a strong retail pedigree and has been working in another co-operative for the past five years. I wish Kevin and his wife Glenice all the best for their retirement and they have already been seen online jet-setting across the world.

The CEO appointment process was a challenging time as the Board took the opportunity to look deeply at the needs of the Co-op and its members as part of the process of finding a new CEO. The future for the Co-op looks exciting from my perspective and I have great confidence in our ability to continue to grow a successful and sustainable Co-op.

To this end the Board has undertaken a wide-ranging review of the Co-op's operating rules, or constitution, driven in part by legislative changes pertaining to co-operatives. We have a focus on making sure our rules reflect our business values and processes as well as looking at how other co-operatives operate and the rules they have adopted. This work will be covered off with members across the coming year.

The Board have also initiated a review of our strategic plan which sets out the Co-op's goals and aspirations and establishes a framework for our growth and developments to be reviewed and measured against. Following this work, management's business plans and initiatives will be reviewed in order to look for further developments and improvements in our range and the offer to members and customers, along with systems to improve our efficiency and develop our people, our greatest asset.

As a co-operative, our members form the foundation of our very existence and it is pleasing to see that our member numbers continue to grow with almost 150 new members this year. Continued growth on member numbers is a hallmark of the success of the Co-op and we are focussing on ways of enabling members to realise the benefits of membership and continue to reward our member loyalty. I would like to thank members for their support and encourage those in our communities who are not members to consider joining our Co-op membership.

Our IGA Supermarket, Mitre 10 stores, our Rural store and Sheetmetal businesses have continued to develop and strive to meet our members' and customers' needs throughout the year, with the offer continually evolving as customer needs and overall retail environments develop.

Our staff, our greatest asset as mentioned above, continue to provide excellent levels of customer service across the Co-op, being urged to go the extra mile by their supportive management teams. It is wonderful to be greeted on entry to our stores and it seems that no request is too small or too difficult for our staff to rise to meet. Congratulations to our staff and Management for continually reaching to exceed expectations.

This year's trading has continued to be strong for the Co-op and the Board and Management are pleased to announce a profit of \$356,941, an achievement that is directly attributed to the dedication and efforts of our staff across the Co-op. Together with this solid result we have also been able to support our communities via sponsorship and donations to the tune of \$84,876, a very pleasing aspect of the Co-operative model. This support, together with \$297,455 in rewards for members loyalty and patronage, underline the role of the Co-op in the local community, one which we, as a Board, do not take for granted.

On behalf of the Board, I would like to sincerely thank the Co-op's management and staff for their hard work and dedication across the past year. Without this crucial support from staff and management, our above achievements would not have been possible.

I would also like to take this opportunity to thank my fellow Board members for their dedication to their director roles and for the many hours that they commit to their Board and sub-committee roles.

To our members and customers, who are the reason for our existence, we thank you for your patronage and trust. Your Board are very confident that our Co-op and our community will continue to grow and prosper as we head into our 117th year of operation.

Thank You

**GEOFF BARBY**

Chairman



# CEO REPORT

HAVING COMMENCED IN THE ROLE AT THE END OF NOVEMBER LAST YEAR, I NOW HAVE A SOLID SIX MONTHS LEADING THE TERANG CO-OPERATIVE.

Many of you will no doubt be asking the question as to what my first impressions are, so I shall outline what I have found so far and what the immediate future looks like for the business.

Regarding the quality of the stores and assets, these are in excellent shape. The supermarket, having recently been refurbished, is trading well and is extremely well merchandised under the leadership of Paul Bailey and a very dedicated and experienced management team and staff. If we had the space we could easily justify an increase of the retail selling area of the supermarket by half as much again in order to expand the range and offer.

Terang Mitre 10 enjoys great support from local trades and contractors through the trade business under the leadership of Michael Boote and his skilled and knowledgeable team. Retail Hardware is always well merchandised with the right range and price to suit the needs of our customer base. Jo Bailey leads an expert team with customer service dedication second to none. A review is underway to look at expanding the retail selling space for Terang Mitre 10 so that we continue to provide the best possible offer.

Camperdown Mitre 10 has been a very sound acquisition and has expanded the geographic reach of the Terang Co-op whilst providing additional profitability and strength to the Co-op's balance sheet, benefitting all members. Nathan Martin continues to drive the trade and timber business, with Malcolm McKay and the team always willing to help customers with whatever they require for any Hardware needs. If trading continues on the upward trend in Mitre 10 Camperdown, there will be the need to refurbish the retail selling space at some point in time.

The Rural store is also fit for purpose with no major capital expenditure required in the near term. Members will notice some changes to fixtures and fittings, range and layout, as we progress our improvement strategy aimed to re-establish the Co-op Rural store as the primary destination for all things rural in the region.

TC Sheetmetal Plus has settled into the new premises following the closure of the dairy services business and relocation of sheet metal to Baynes street. Some capital works will be required in the medium term, but nothing urgent and the business is fully operational at present.

The trading performance during 2023-24 continued the soft sales trend following on from the financial year 2022-23 which ended with revenue down 2.1% compared to the previous year. The 2023-24 year showed slight improvement and finished the year with an increase of 0.8% and total revenue of \$28.6m. Supermarket was again the highlight with revenue growth of 3.1% and consistent results across all departments.

Hardware division revenue declined slightly on the previous year by 1.8%. Within this sales result Camperdown delivered a marginal increase and conversely Terang had a decrease. The result was affected by the ongoing balancing out in the Hardware sector from the stimulus provided during the Covid pandemic, which resulted in building activity being essentially brought forward. We will remain vigilant with our trade business during the next year; however, the slowdown is industry wide and no cause for concern. We expect trade volumes to improve toward the end of 2024 provided interest rates remain at least on hold.

The Rural store ended the year with promising and positive sales growth of 2.6%. As our members are well aware there is much work to be done in the Rural store and that work is underway. In short, our key areas of improvement over the next 12 to 18 months will be to deliver on customer expectations in the basic areas of range, service and price. We will focus on being price competitive through buying better and by working with key suppliers.

The dairy services' fabrication division successfully transitioned into TC Sheetmetal Plus, on the exit of the loss making 360 Dairy Solutions business. TC Sheetmetal Plus has now been operating from Co-op owned premises in Baynes Street since December 2023, and will focus mainly on sheet metal work and hydraulic parts. We expect TC Sheetmetal Plus to be a steady contributor to the Co-op over the long term.

The new system implementation still requires a lot of work to bed down and to finalise the enhancements. Much of the work is behind the scenes in accounting and administrative areas, but some will be very visible to members, such as lack of points disclosure at point of sale in the supermarket. There remains work to be done on the layout of statements and the information provided. Members can be assured that the Co-op will continue to work with the systems provider, Sympac Solutions, until such time as we are completely satisfied that the system has been delivered in full.

Hardware stock control and points visibility for members in Mitre 10 and Rural stores.

The Co-op in the community is an integral part of our mission, and the community engagement is something we should all be proud of. The Co-op has a very strong community sponsorship and donations platform, which assists volunteer-led clubs and organisations to be successful. The support provided back to the Co-op from clubs and organisations through trading with us is an integral part of what makes this all work.

For the financial year the Co-op invested \$84,876 into supporting clubs and organisations and commits to maintaining a strong and profitable business for the future viability of volunteer-led organisations.

A key area of working with the community is by way of supporting local contractors, trades, freight providers and goods suppliers. We will continue to work with local product suppliers to further develop range and distribution.

Currently in the supermarket we support 29 local liquor suppliers, 12 suppliers in the fresh departments and 4 in the dry grocery department. Hardware and Rural support regional suppliers wherever possible.

The team is of course the essence of success both historically and into the future. We are fortunate to have over 120 dedicated and loyal staff supporting the business, with the sole objective of providing the absolute best in customer and member service, value and range, and store shopping experience. There has been some excellent progress with staff training programs over recent years and we will continue to develop this area going forward.

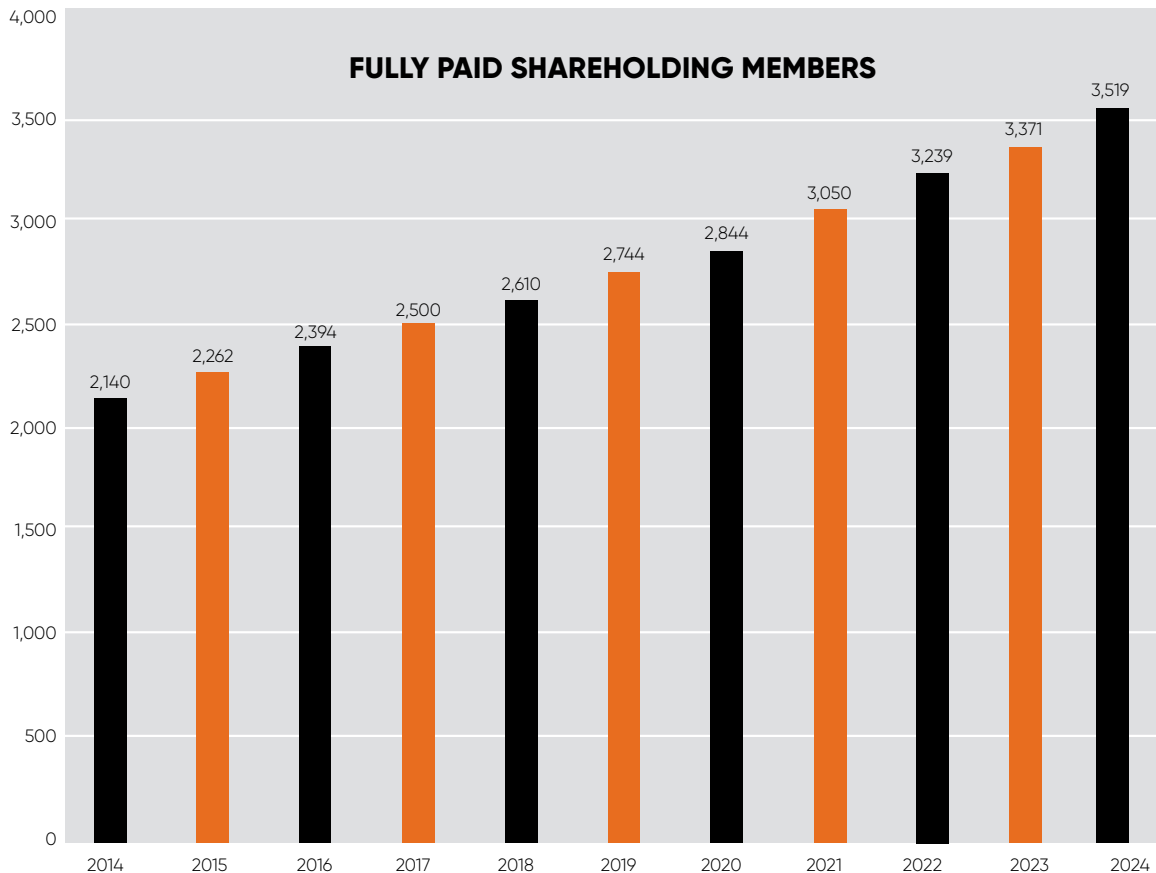
In summary, the Co-op is very well positioned for the next phases of growth, with a strong balance sheet, good stores, outstanding staff, strong and loyal membership and a very solid business platform. I look forward to the challenges ahead and in hearing your feedback on where we can continue to improve.



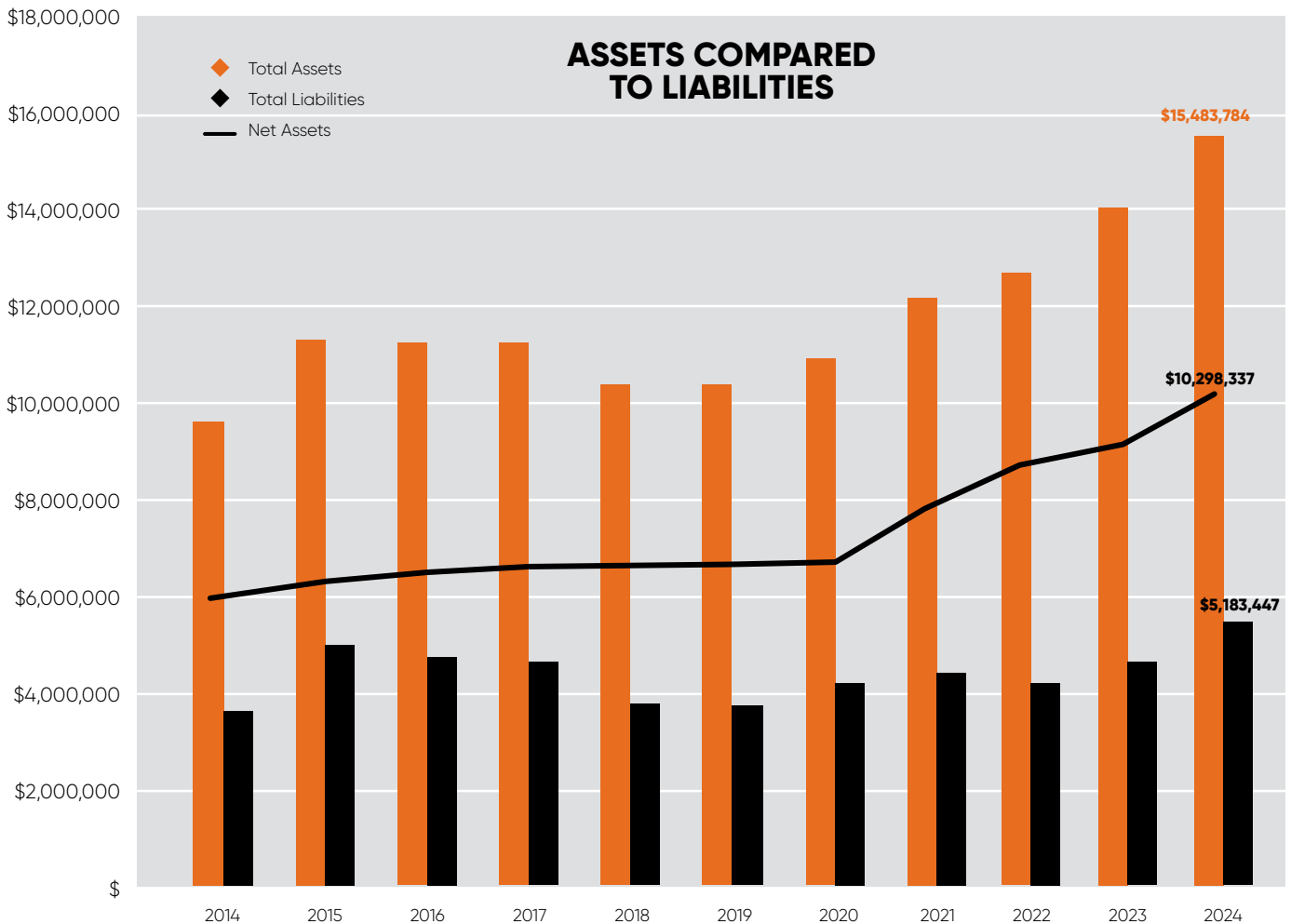
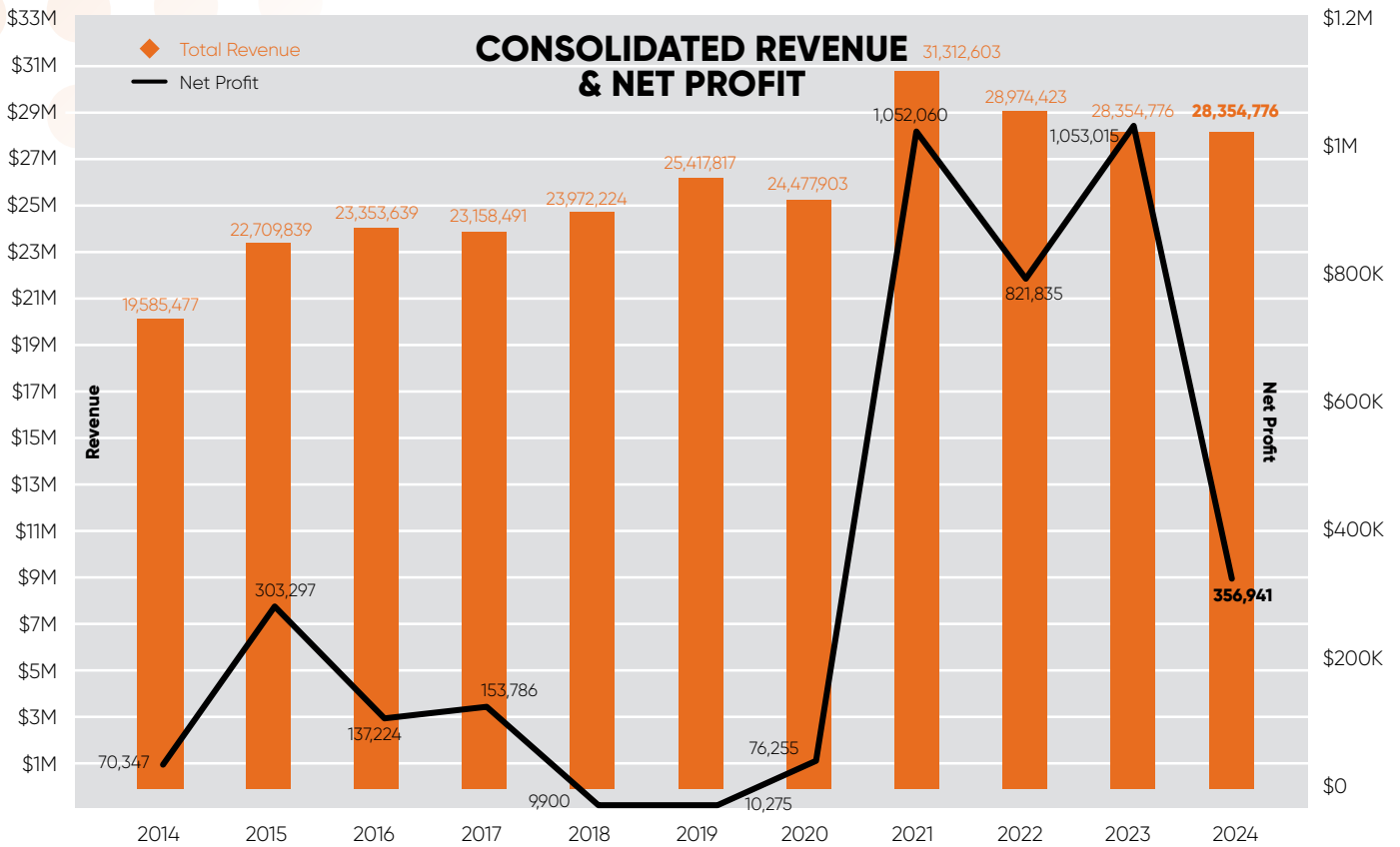
**GARY TEMPANY**  
Chief Executive Officer



## 2024 AT A GLANCE

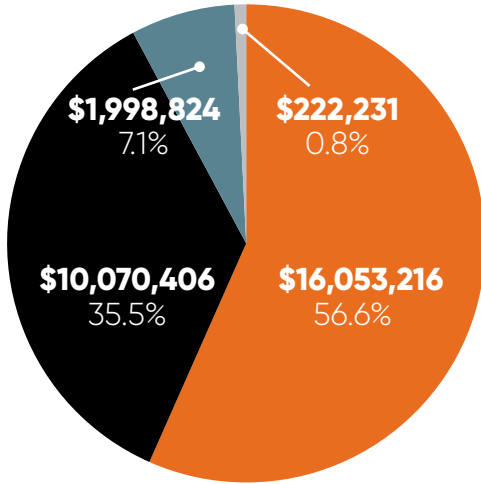


# 2024 AT A GLANCE



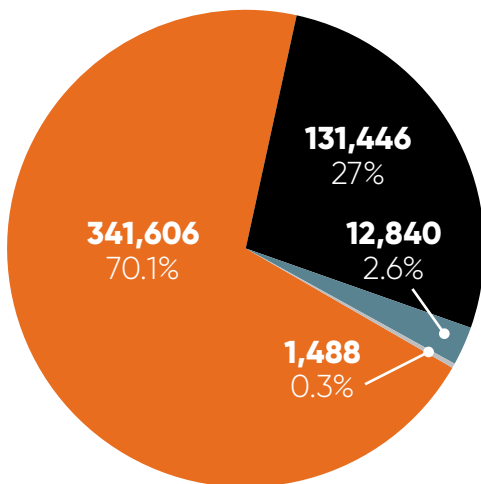
# 2024 AT A GLANCE

## REVENUE SHARE



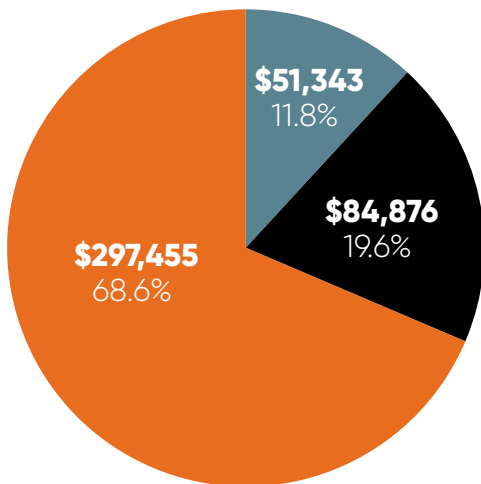
- Hardware
- Rural
- Supermarket
- Fabrication

## CUSTOMER VISITS



- Hardware
- Rural
- Supermarket
- Fabrication

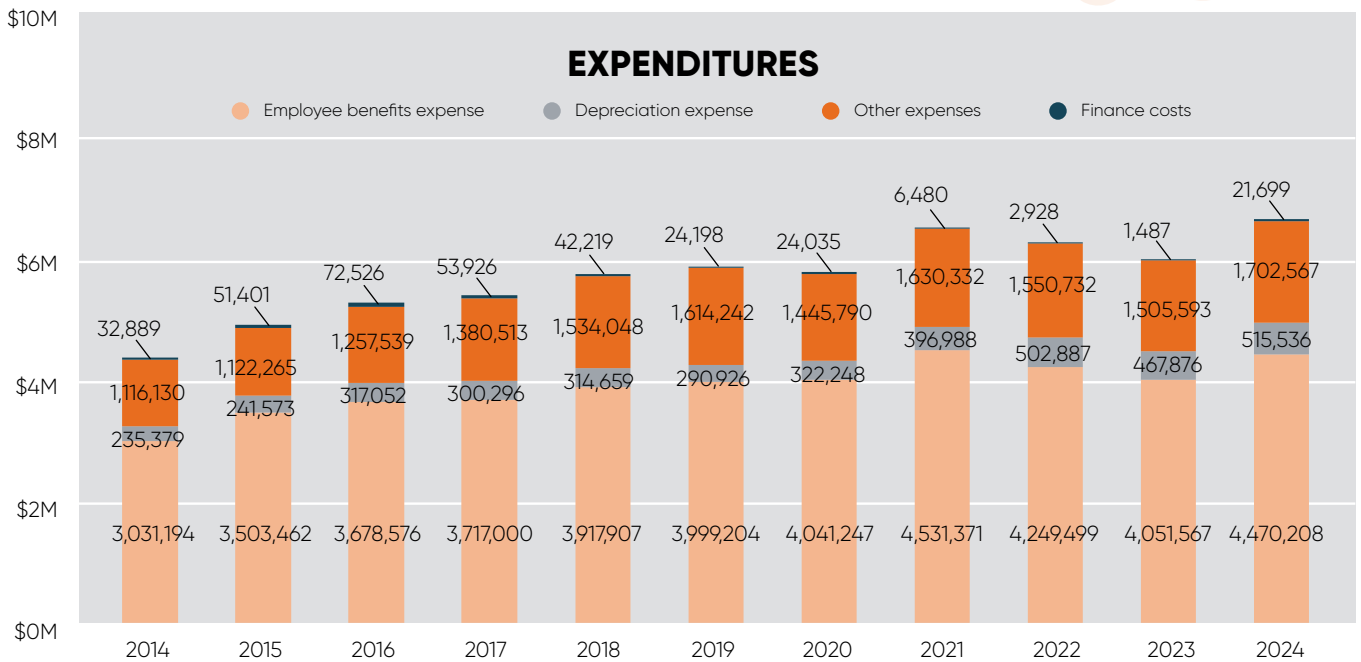
## BENEFITS DISTRIBUTED



- Sponsorships & Donations
- Discounts for Seniors, Hospitals & Staff
- Member Rewards



# 2024 AT A GLANCE



## Managers' COMMENT

### PAUL BAILEY

Manager of the IGA plus Liquor store

IN LOOKING BACK OVER THE PAST 12 MONTHS, IT HAS BEEN A CHALLENGING YEAR IN THE SUPERMARKET.

Our customer shopping behaviours have shifted a little over the past 12 months with our customers and members trading down from their normal grocery lines that they buy to something that might be cheaper or on special as cost of living and interest rates takes hold on what our customers can spend.

Going forward we will be focusing on providing more value for our members and customers with a rewards program for our members. This will give members over 200 extra specials per week across the supermarket that they can access exclusively, just by being a member of the Co-op.

Our stock fulfilment from the warehouse is still hit and miss. With delays in shipping or getting raw materials or packaging to make the products this is still affecting supply. These supply chain issues continue to have impact on shelf availability. However, this is not only our warehouse issue; this is right across the grocery industry.

In spite of all of the challenges over the past 12 months, we have managed to grow sales by over 3% on the previous year. We finished 2023-24 year with revenue of \$16m. However, the cost of doing business has pushed our profit down on the previous year.

We will continue to review our range throughout the Supermarket to keep up to date in what is new in the market and we are always looking for value added product to benefit our customers. We will continue to adapt and move with consumer trends and shopper-led range to make sure our store remains relevant.

We also continue to set the bar high in our industry with some of our departments being nominated again for awards. Our Deli, Bakery and Customer service were all nominated this year and, although we did not take away any awards, we were very pleased just to be nominated. It shows that we are at the top level of our industry, and all of our hard work is continuing to pay off.

We will continue to look to reinvest into the business with any opportunity that may present its self. We will keep updating any equipment that needs to be replaced or can help make doing things more efficient and user friendly.

I would all so like to take this opportunity to thank my management team and staff for their support and tireless and hard work over the past 12 months. Their efforts have been very much appreciated. I would also like to thank our Co-op members and customers for their continued loyalty and support. Without them, we could not have achieved another good year.

# Managers' COMMENTS

MIGHTY HELPFUL  
MITRE 10

THE HARDWARE DIVISION HAD A VERY SOLID TRADING YEAR WITH TOTAL SALES FALLING JUST SHORT OF THE 2023-24 ALL-TIME SALES RECORD.

The solid sales result and continued focus on cost controls by management allowed the division to make another very healthy contribution to the bottom-line result of the Co-op. Pleasingly, both Camperdown and Terang Mitre 10 retained stable workforces with minimal staff changes during the financial year.

AFTER WE DISCONTINUED THE DAIRY SERVICING BUSINESS PREVIOUSLY KNOWN AS 360 DAIRY SOLUTIONS, IT QUICKLY BECAME APPARENT THAT THE LEASED PREMISES WHERE THE SHEETMETAL & HYDRAULICS BUSINESS OPERATED FROM WAS FAR TOO LARGE FOR THE REMNANT OPERATION.

A decision was made to move the newly named TC Sheetmetal Plus into an existing shed within the Baynes St lay-flat yard, a part of Terang Co-op Mitre 10. The shed was a dry storage facility for bulk timber supplies. In order to vacate the shed, the Co-op Board approved significant capital to purchase and install several bays of cantilever racking for some of the stored timber packs. Another shed within the premises was also repurposed to allow it to house more weather critical stock from the original shed.

PLEASEINGLY THE RURAL STORE MANAGED TO REACH AND EXCEED ITS SALES BUDGET FOR 2023-24 AND ALSO BETTER LAST YEAR'S SALES.

One of the key drivers for continued sales growth is identifying the best stock categories and right product ranges to carry in store to not only satisfy our current customer base but also to appeal to a wider cohort of consumers. Work commenced during 2023 and continues into 2024 on a comprehensive range review of our product offer, particularly in the retail store, the outcome of which will be a more targeted product mix than what we currently offer.

In the meantime, one of the key focus areas that staff have concentrated on over the past 12 months has been centred around ensuring that stock levels in the store and



**JO BAILEY**

**Retail Manager**

**Terang and Camperdown Mitre 10 stores**



**MICHAEL BOOTE**

**Trade & Sheetmetal Manager**

During recent years we have concentrated a great deal of effort into the standards of our stores in presentation, product availability and range. Along with an emphasis on staff training and improving knowledge we strive to always be recognized as the Best Store in Town.

To that end, Camperdown Mitre 10 won Store of the Year (Small Format) and Terang Co-op Mitre 10 won Store of the Year (Medium Format) in the 2023 Mitre 10 Regional Awards from a cluster of 19 stores that constitute our membership region.

In November 2023, the sheet metal folder and other infrastructure was relocated from the old site to the new one, and set-up of the new premises began in earnest. Setting up the new shed involved installing 3-phase & single-phase electrical circuitry throughout, and also construction of an office.

The business has settled nicely into its new premises now and is providing quality same-day, or next-day, metal flashings as well as hydraulic hose & coupling repairs to the local market.

**MICHAEL BOOTE**

**Trade & Sheetmetal Manager**



warehouse are adequate and stock is well presented and properly ticketed.

On the personnel front, our workforce remained unchanged throughout 2023-24. There are many benefits from a stable staffing profile, particularly in developing and enhancing staff skills and knowledge. It also equips us with an inherently better understanding of our customers' needs thereby helping to deliver and maintain higher service levels.

**MICHAEL BOOTE**

**Acting Manager**

**rural store**

*terang co-op*

# Directors' REPORT

YOUR DIRECTORS PRESENT THEIR REPORT ON THE TERANG & DISTRICT CO-OPERATIVE LIMITED FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024.

## DIRECTORS

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

Mr Geoff Barby – Chairman  
Mr Brendan Kenna  
Mr Nigel Bruckner  
Ms Vicki Whiting – resigned 28 Jun 2023  
Ms Linda Kenna  
Mr Robert Durant  
Ms Elizabeth Green  
Mr David Harrington – appointed 27 Sept 23

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
Geoff Barby	8	11
Brendan Kenna	11	11
Nigel Bruckner	9	11
Vicki Whiting	5	5
Linda Kenna	11	11
Robert Durant	9	11
Elizabeth Green	10	11
David Harrington	4	5

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 AND AUDIT**

Directors	Other Members
Elizabeth Green	Kevin Ford, CEO (resigned 24 Nov 2023)
Geoff Barby	Gary Tempany, CEO (appointed 27 Nov 2023)
Nigel Bruckner	Damien Ryan, Finance & Business Manager
Brendan Kenna	

### **COMMITTEE: GOVERNANCE**

Directors	Other Members
Elizabeth Green	Kevin Ford, CEO (resigned 24 Nov 2023)
Geoff Barby	Gary Tempany, CEO (appointed 27 Nov 2023)
Linda Kenna	Robert Lane, Consultant

### **COMMITTEE: STRATEGY AND RISK**

Directors	Other Members
David Harrington (appointed 27 Sept 2023)	
Vicki Whiting (resigned 28 Jun 2023)	
Robert Durant	Gary Tempany, CEO (appointed 27 Nov 2023)
Geoff Barby	Robert Lane, Consultant Kevin Ford, CEO (resigned 24 Nov 2023)

## RESULT

The net operating profit of the Terang & District Co-operative Limited for the financial year after providing for income tax amounted to \$276,118 (2023 : \$800,013).

## ACTIVITIES

The principal activities of the Co-operative in the course of the year have been to retail food and general merchandise and otherwise carry on the business of trading under the Co-operatives National Law Application Act 2013. 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 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 29 February 2024.

## 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 section 307C of the Corporations Act 2001 is included in the full financial report.

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

 **MR GEOFF BARBY**  
Chairman

Signed at Terang, this 5th day of June 2024.

# 2023 -2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
DIRECTORS' DECLARATION & CONCISE  
FINANCIAL REPORT FOR THE YEAR ENDED  
29 FEBRUARY 2024

## DIRECTORS DECLARATION

The directors of the Co-operative declare that the Concise Financial Report for the year ended 29 February 2024, 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 29 February 2024 and has been derived from and is consistent with the full financial report of Terang & District Co-operative Limited.



MR GEOFF BARBY  
Chairman

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

Signed at Terang, this 5th day of June 2024.

## CONCISE FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 29 February 2024. The financial statements and disclosures in the concise financial report have been derived from the 2024 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 2024 Financial Report of Terang & District Co-operative Limited.

### INCOME STATEMENT

The profit before income tax for the 2024 financial year is \$356,941 which represents a decrease of \$696,074 on the \$1,053,015 profit for the previous year.

Across the whole Co-op, total revenue growth in 2024 was 0.8% whilst total costs rose 11.3%. This proved challenging in terms of profitability.

Costs related to payroll were up 10.3% on 2023, noting that the 5.75% increase in the national wage decision was significant but also that the Co-op's workforce was in transition in 2024. Compared to 2022, the payroll costs in 2024 were up 4.9% on a two-year basis, reflecting the tight labour resources in 2023.

Other expenditures were up 13.4% with significant factors being costs related to new asset depreciation, technology systems, business relocation and members' loyalty rewards.

The Hardware & Timber segment result for 2024 was \$448,248, down on the \$743,785 profit earned in the prior year. Following the subdued revenue growth of 1.3% in the previous year, 2024 saw segment revenue drop by 1.8% in 2024, reflecting a continuation of mixed economic conditions since 2022. Gross margins eased a bit lower on the previous year.

In the Rural segment, revenue increased slightly, by 2.6%, whilst gross margins dropped slightly to encourage sales activity. The net result of a \$139,621 loss was \$31,682 better than the loss in the previous year.

The Fabrication segment was in transition in 2024 after the wind up of the dairy services business and relocation to a new site. The net result of a \$100,867 loss was after relocation costs and was \$16,916 better than the loss in the previous year.

The Supermarket segment performed well in 2024. After the previous year's revenue increase of 0.2%, the revenue growth in 2024 was a solid 3.1%. The segment's gross margin may have been slightly down on the previous year but that was as expected. Although lower than the \$598,316 profit in the previous year, the \$333,939 profit for 2024 is still a positive result for the Supermarket.

# 2023 - 2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## CONCISE FINANCIAL REPORT

### BALANCE SHEET

Capital expenditure of \$780,352 was undertaken in 2024 with no bank debt. Inventories accumulated by just \$83,406 whilst trade payables rose just \$24,798. The cash position dropped from \$1,634,150 to \$1,478,719 during 2024 after funding capital expenditure and inventories.

### CASH FLOW STATEMENT

Cash flow and trade receivables were steady in 2024. Cash flow generated from trading activities has allowed the Co-op to undertake 2024 capital expenditure without borrowings and to maintain invested funds for future capital expenditure.

## STATEMENT OF COMPREHENSIVE INCOME

	2024 \$	2023 \$
Revenue	28,587,644	28,354,776
Cost of inventories	(21,520,693)	(21,275,238)
Employee benefits expense	(4,470,208)	(4,051,567)
Depreciation expense and amortisation	(515,536)	(467,876)
Finance costs	(21,699)	(1,487)
Other expenses	(1,702,567)	(1,505,593)
Profit before income tax	356,941	1,053,015
Income tax expense	(80,823)	(253,002)
<b>Profit for the financial year</b>	<b>276,118</b>	<b>800,013</b>
<b>Other comprehensive income</b>		
Revaluation of land and buildings	1,199,982	-
Tax adjustment on revaluation reserve	(304,390)	2,025
<b>Total comprehensive income for the year</b>	<b>1,171,710</b>	<b>802,038</b>

The accompanying notes form part of these financial statements

# 2023 - 2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## BALANCE SHEET

	NOTE	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,478,719	1,634,150
Trade & other receivables		1,002,024	1,081,592
Inventories		4,595,446	4,512,040
Other assets		157,812	248,632
<b>TOTAL CURRENT ASSETS</b>		<b>7,234,001</b>	<b>7,476,414</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets		30,000	30,000
Property, plant and equipment	3	7,270,209	6,136,311
Investment property		335,000	
Deferred tax assets		261,002	219,048
Right of use assets		353,572	21,656
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,249,783</b>	<b>6,407,015</b>
<b>TOTAL ASSETS</b>		<b>15,483,784</b>	<b>13,883,429</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,433,170	2,408,372
Other liabilities		723,947	846,851
Lease liabilities		42,931	27,650
Interest bearing liabilities		-	10
Tax liabilities		34,060	117,140
Provisions		468,517	463,086
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,702,625</b>	<b>3,863,109</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		327,367	-
Tax liabilities		1,124,873	874,530
Provisions		30,582	24,363
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,482,822</b>	<b>898,893</b>
<b>TOTAL LIABILITIES</b>		<b>5,185,447</b>	<b>4,762,002</b>
<b>NET ASSETS</b>		<b>10,298,337</b>	<b>9,121,427</b>
<b>EQUITY</b>			
Contributed equity		188,842	183,642
Reserves		3,298,833	2,403,241
Retained profits		6,810,662	6,534,544
<b>TOTAL EQUITY</b>		<b>10,298,337</b>	<b>9,121,427</b>

The accompanying notes form part of these financial statements

# 2023 - 2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## STATEMENT OF CHANGES IN EQUITY

	NOTE	Contributed Equity \$	Retained Surplus \$	Revaluation Surplus \$	Total \$
<b>Balance at 1 March 2022</b>		<b>177,444</b>	<b>5,821,546</b>	<b>2,401,216</b>	<b>8,400,206</b>
Other comprehensive income		-	-	2,025	2,025
Surplus for the year		-	800,013	-	800,013
Shares issued/(redeemed)		6,198	-	-	6,198
<b>Balance at 28 February 2023</b>		<b>183,642</b>	<b>6,621,559</b>	<b>2,403,241</b>	<b>9,208,442</b>
Impact of change in accounting policy	1(a)	-	(87,015)	-	(87,015)
<b>Restated balance at 28 February 2023</b>		<b>183,642</b>	<b>6,534,544</b>	<b>2,403,241</b>	<b>9,121,427</b>
Balance at 1 March 2023		183,642	6,534,544	2,403,241	9,121,427
Other comprehensive income		-	-	895,592	895,592
Surplus for the year		-	276,118	-	287,972
Shares issued/(redeemed)		5,200	-	-	5,200
<b>Balance at 29 February 2024</b>		<b>188,842</b>	<b>6,810,662</b>	<b>3,298,833</b>	<b>10,298,337</b>

The accompanying notes form part of these financial statements

# 2023 - 2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## STATEMENT OF CASH FLOWS

	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	28,084,142	28,591,524
Payments to suppliers and employees	(27,247,171)	(26,972,973)
Dividends received	12,945	17,059
Interest received	44,764	18,580
Income tax paid	(259,904)	(269,935)
<b>Net cash provided by / (used in) operating activities</b>	<b>634,776</b>	<b>1,384,255</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant & equipment	(780,352)	(279,379)
Proceeds from sale of property, plant & equipment	38,742	28,827
<b>Net cash (used in) investing activities</b>	<b>(741,610)</b>	<b>(250,552)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of leasing liabilities	(53,787)	(67,488)
(Repayment of) / proceeds from borrowings	(10)	(10)
Proceeds from share issue /(payment for shares redeemed)	5,200	6,198
<b>Net cash provided by / (used in) financing activities</b>	<b>(48,597)</b>	<b>(61,300)</b>
Net increase / (decrease) in cash held	(155,431)	1,072,403
Cash and cash equivalents at beginning of year	1,634,150	561,747
<b>Cash and cash equivalents at end of year</b>	<b>1,478,719</b>	<b>1,634,150</b>

The accompanying notes form part of these financial statements



# 2023 -2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report is an extract from the full financial report for the year ended 29 February 2024. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, the Co-operatives National Law Application Act 2013 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.

### (a) Change in accounting policy

The Co-operative have adopted a change in accounting policy during the year and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the adjustment has been applied to the opening balances as at 28 February 2023. In accordance with AASB15 *Revenue from Contracts with Customers*, the Co-operative have included a deferred revenue balance for Customer Loyalty Points accrued and redeemable by members. The method in which this provision is calculated has changed, removing the discounting applied to the balance. The impact of this change is set out below.

	28 Feb 2023 Balance	Impact of Change	Restated Balance 28 Feb 2023
Deferred revenue: customer loyalty program	268,566	87,015	355,581
Retained earnings	6,621,559	(87,015)	6,534,544

## 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		Rural Store		Fabrication		Supermarket		Administration		Total	
	2024	\$ 2023	2024	\$ 2023	2024	\$ 2023	2024	\$ 2023	2024	\$ 2023	2024	\$ 2023
<b>Total segment revenue</b>	10,070,406	10,260,742	1,998,824	1,947,776	222,231	352,766	16,053,216	15,563,285	242,967	230,207	<b>28,587,644</b>	<b>28,354,776</b>
<b>Total segment expenses</b>	(9,626,158)	(9,516,957)	(2,138,445)	(2,119,079)	(323,098)	(470,549)	(15,719,277)	(14,964,969)	(423,725)	(230,207)	<b>(28,230,703)</b>	<b>(27,301,761)</b>
<b>Operating result before tax</b>	444,248	743,785	(139,621)	(171,303)	(100,867)	(117,783)	333,939	598,316	(180,758)	-	<b>356,941</b>	<b>1,053,015</b>
<b>Segment assets</b>	2,656,979	2,569,486	826,371	942,351	91,152	108,945	1,018,652	891,258	10,890,630	9,371,389	<b>15,483,784</b>	<b>13,883,429</b>
<b>Segment liabilities</b>	-	-	-	-	-	-	-	-	5,185,447	4,762,002	<b>5,185,447</b>	<b>4,762,002</b>

# 2023-2024 FINANCIALS

TERANG & DISTRICT CO-OPERATIVE LIMITED  
CONCISE FINANCIAL REPORT FOR THE YEAR  
ENDED **29 FEBRUARY 2024**

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	2024 \$	2023 \$
Land - at valuation	1,570,000	1,295,000
Land - at cost	-	169,420
	1,570,000	1,464,420
Buildings - at valuation	4,380,000	3,400,000
Buildings - at cost	-	347,744
Accumulated depreciation	-	(213,678)
	4,380,000	3,534,066
Buildings - leasehold improvements - at cost	70,238	77,934
Accumulated depreciation	(59,706)	(65,612)
	10,532	12,322
<b>Total Buildings</b>	<b>4,390,532</b>	<b>3,546,388</b>
Plant & Equipment - at cost	2,388,977	1,870,700
Accumulated depreciation	(1,287,838)	(1,048,023)
	1,101,139	822,677
Motor Vehicles - at cost	609,110	729,422
Accumulated depreciation	(400,572)	(426,596)
	208,538	302,826
<b>Total Property, Plant &amp; Equipment</b>	<b>7,270,209</b>	<b>6,136,311</b>

### Valuations of land and buildings

Independent revaluation of land and buildings completed by Preston Rowe Patterson as at 29 February 2024 qualified independent valuers AAPI CPV AAPI 18353.



**Audit**

# REPORT

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

### OPINION

We have audited the concise financial report of Terang and District Co-operative Limited (the Co-operative), which comprises the balance sheet as at 29 February 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the financial report of Terang and District Co-operative Limited for the year ended 29 February 2024.

In our opinion, the accompanying concise financial report, of Terang and District Co-operative Limited, complies with AASB 1039 *Concise Financial Reports*.

### BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Co-operative in accordance with the auditor independence requirements of the *Corporations Act 2001* and *Co-operatives National Law Application Act 2013* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### CONCISE FINANCIAL REPORT

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

### THE FINANCIAL REPORT AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the financial report in our report dated 5th June 2024.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONCISE FINANCIAL REPORT

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONCISE FINANCIAL REPORT

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with AASB 1039 *Concise Financial Reports* based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.



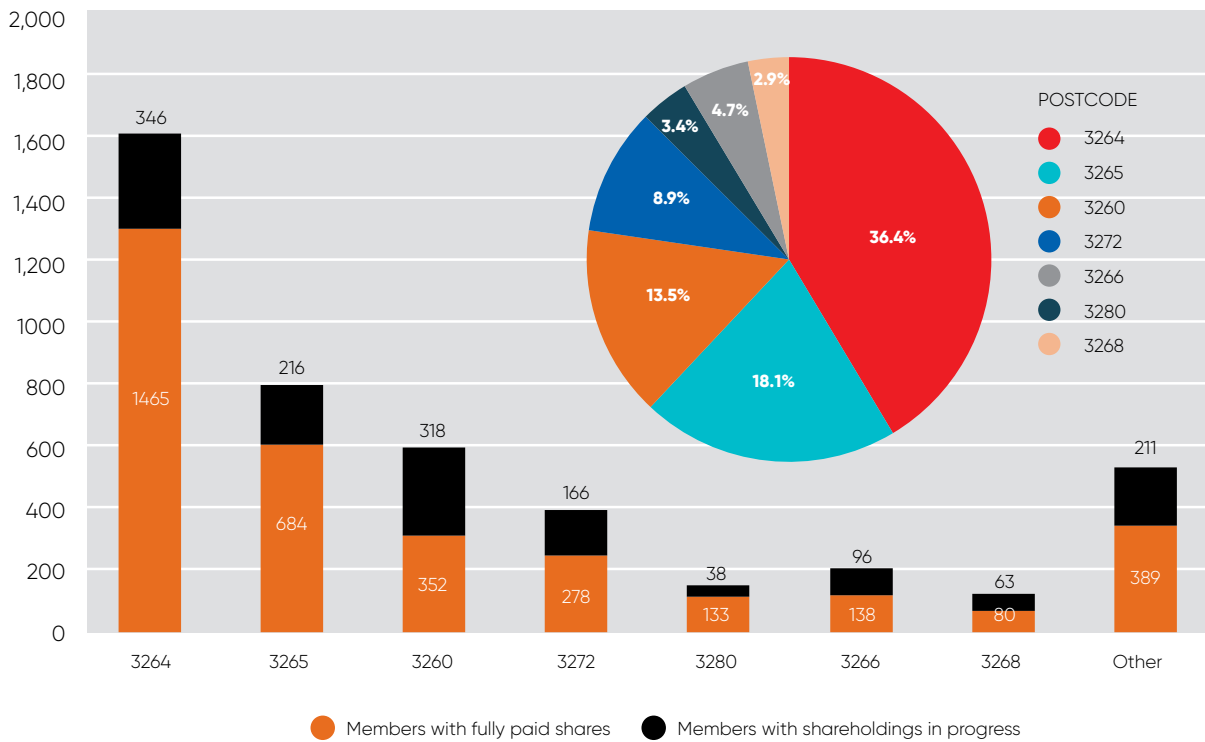
MCLAREN HUNT  
AUDIT AND ASSURANCE



N.L. MCLEAN  
Partner

Dated at Warrnambool: 5th June 2024

**MEMBERS & SHAREHOLDERS BY POSTCODE**



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