

Esk District Co-op Ltd

116th

Annual Report

and

Balance Sheet

30th JUNE 2022

To be presented to the Shareholders at the

ANNUAL GENERAL MEETING

9.30am Friday

11th November 2022

Mt Beppo Hall, Mt Beppo

Esk District Co-op Ltd

Established 1906

Registered under "The Co-operative Act 1997"

Registered Office:

Toogoolawah, Queensland

Retail Stores:

Esk and Toogoolawah

Directors:

Dr A FitzGerald (Chairman), F Evans,
L Witham, C Lynch, TV O'Brien(Deputy Chairman)

Bankers:

NAB Bank, Judo Bank, ANZ Bank

Secretary:

T Lukritz

Accountant:

Horizon Accounting Group, Toowoomba

Auditor:

Baulch & Associates, Toowoomba

Solicitor:

Emmerson Legal & Accounting Pty Ltd

ESK DISTRICT CO-OP LTD NOTICE OF ANNUAL GENERAL MEETING

Pursuant to the Rules of the Co-operative, Notice is hereby given that an Annual General Meeting is to be held at 9.30am, 11th November 2022, at the Mt Beppo Hall, Mt Beppo.

AGENDA

1. Registration of Attendees and Proxies
2. Quorum
3. Confirmation of the Minutes of the previous Annual General Meeting
4. Adoption of Annual Report including Financial Statements and Auditor's Report
5. Appointment of Auditor
6. Declaration of Results for the Election of Directors
7. General Business

By Order,

T Lukritz
Secretary

Toogoolawah, 19th October 2022

DIRECTOR'S REPORT 2022

On behalf of the Board of Director of the Esk District Co-op Ltd I have much pleasure in presenting the annual report for the year ending 30 June 2022.

Following the years of uncertainty which may be called the "covid years" and in our case the benefits they brought the financial year just completed has been one of significant change with the much anticipated opening of the new store in Esk 27 April 2022. Trading prior to the opening saw a healthy increase of 6.1% and the effects of the increase turnover in the new store, particularly with the enthusiasm in the opening few weeks, contributed to a healthy increase in turnover of 8.58% over the 2021 result. This resulted in sales of \$17,359,047 (\$15,986,636 in 2021), a record for the Company but of course increase in sales does not necessarily convert to profit after tax which amounted to \$33,230 (\$343,861 in 2021). There were significant costs involved in the transfer to the much bigger new store as well as the ever increasing cost of doing any business. The profit was achieved after allowing \$2,797,415 for employee benefits an increase of \$350,076 on the previous year (\$2,447,339) and depreciation of \$171,381 (\$115,846 in 2021) both of which will increase significantly in the coming year. Although the increase in wages has been influenced by the need for more staff in the bigger Esk store the recently announced wage rise of 5.2%, plus an increase in superannuation together with other workplace changes to employee's classifications and associated benefits are expected to cost the company in the vicinity of \$250,000 in the full year.

With the changes in Esk the Board is very grateful to the staff in Esk firstly for working under difficult make-shift conditions whilst the new store was being built but also for the extra effort in transferring the operation and stock to the new store. As you would be well aware the need to maintain a supermarket in the town while the new store was being built meant that the car park could not be constructed until the existing store was demolished. This process has taken longer than anticipated partly because of the persistent rain but importantly the desire to recycle where possible the quality 100 plus year old timber in the old building. A section of the pressed metal ceiling of the old shop has been used for the ceiling of the entrance to the new store.

As previously announced the fitout and stocking of the new store was estimated to cost approximately \$1.95 million which was to be funded from our own resources and a loan from Judo Bank. The final cost has come in under budget which gives us the ability to make some much needed changes in Toogoolawah in the near future.

Trading in the new store is well in line with expectations and the innovation of an in store butcher shop which will supply both stores has been successful, assisted in no small way by the experience of the butchers Gary and Shane.

Whilst the focus has been on the Esk re development the Toogoolawah store has received a new roof and there are plans in place for changes to the refrigeration systems in the grocery department. The hardware in the near future will receive a significant facelift with the conversion to a Mitre 10 store.

It has been a busy year and the pressures generated fall on the shoulders of our general manager Mrs Tania Lukritz who earns our sincere gratitude. Tania has an extensive knowledge of the business which is matched only by her capacity for work. She leads a team of departmental managers in Mrs Nikki Williams (Toogoolawah IGA), Mrs Vicki Bishop (Esk IGA) and Ms Donna Heath (Toogoolawah HTH) to whom we are grateful for their continued

contributions along with the administration staff and indeed all staff for their contribution over the year.

I would also like to thank our auditor Mr Brendan Baulch and his wife Jane for their work and for the manner in which they conducted the audit. Our thanks also go to our accountants Horizon Accounting, the company solicitor Emmerson Legal and Accounting, Judo Bank and finally Geoff and Jason Bonney of the Bongroup not only for their assistance and advice but for the manner in which they built their relationship with the company Board and Staff.

Our most important thanks must go to our shareholders and the broader community for their patience and support without which we could not succeed.

On a personal note I thank the other members of the Board for their commitment and support. In particular may I thank the deputy chairman Mr Vince O'Brien for his support and considered opinion on many matters.

The year to 30 June has been one of change. The year ahead will be one of consolidation built on the changes of the previous year which will only be achieved with the support of our shareholders and the wider community of the Brisbane Valley.

Dr ACB FitzGerald
Chairman

ESK DISTRICT CO-OP LTD

ABN: 98 306 274 225

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report on Esk District Co-op Ltd ("the co-operative") for the financial year ended 30 June 2022.

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

| Name | Appointed / Resigned | Qualifications / Experience |
|-------------------|-----------------------------|---|
| Dr ACB FitzGerald | | Retired medical doctor, director since 1992 |
| TV O'Brien | | Small business owner |
| L Witham | | Retired police officer, director since 1997 |
| FM Evans | | Small business owner, director since 1992 |
| CT Lynch | | Small business owner, director since 2011 |

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

Attendance by each director at meetings during the year was as follows:

| Name | Special Responsibilities | Eligible number of Board meetings | Number attended |
|-------------------|---------------------------------|--|------------------------|
| Dr ACB FitzGerald | Chairman | 15 | 15 |
| TV O'Brien | Deputy Chairman | 15 | 15 |
| L Witham | | 15 | 14 |
| FM Evans | | 15 | 14 |
| CT Lynch | | 15 | 13 |

Company Secretary

The following person held the position of company secretary at the end of the financial year: Tania Lukritz.

Mrs Lukritz has worked for the co-operative since 1988, obtaining a broad range of experience. Mrs Lukritz is currently the General Manager, and was appointed company secretary in 2012.

Review of Operations

The profit of the co-operative for the financial year after providing for income tax amounted to \$33,230 (2021: \$343,861).

Principal Activities

The principal activity of the co-operative during the financial year was grocery retailing in Esk, and grocery and hardware retailing in Toogoolwah.

No significant changes in the nature of the co-operative's activity occurred during the financial year.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

Events Subsequent to the End of the Reporting Period

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 and Expected Results of Operations

The co-operative will continue grocery and hardware retailing.

Environmental Regulation

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 were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the co-operative were granted during or since the end of the financial year, and there were no options outstanding at the date of the report.

Indemnification of Officers

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 on Behalf of 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

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2022 has been received and can be found on the following page of the financial report.

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

Director: 
Dr ACB FitzGerald

Dated this *7th* day of *October* 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (1) the auditor independence requirements set out in the Corporations Act 2001 in relation to the audit, and
- (2) any applicable code of professional conduct in relation to the audit.

Name of Firm: Baulch & Associates
Chartered Accountants

Name of Director: 
BP Baulch

Address: 135A Russell Street, Toowoomba QLD 4350

Dated this 5th **day of** October 2022

ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

| 2021 | | NOTE | 2022 |
|-----------------------|---|-------------|----------------------|
| \$ | | | \$ |
| 15,986,636 | Sales | | 17,359,047 |
| <u>(12,222,669)</u> | Cost of Sales | | <u>(13,440,720)</u> |
| 3,763,967 | Gross profit | | 3,918,328 |
| 81,485 | Other income | 2 | 98,400 |
| (11,736) | Profit/(Loss) on disposal of plant & equipment | | (19,117) |
| 10,403 | Profit/(Loss) on disposal of land & buildings | | - |
| (115,846) | Depreciation | | (171,381) |
| (42,351) | Finance expenses | | (90,144) |
| (2,447,339) | Employee benefit expenses | | (2,797,415) |
| <u>(736,952)</u> | Administrative and Other expenses | 3 | <u>(892,967)</u> |
| 501,632 | Profit/(Loss) before income tax | | 45,704 |
| <u>(157,771)</u> | Income tax (expense) / benefit | 4 | <u>(12,473)</u> |
| <u>343,861</u> | Profit/(Loss) after income tax | | <u>33,230</u> |
| | Other Comprehensive Income | | |
| - | Items that will be reclassified subsequently to profit or loss when specific conditions are met | | - |
| - | Items that will not be reclassified subsequently to profit or loss | | - |
| <u><u>343,861</u></u> | Total Comprehensive Income for the period | | <u><u>33,230</u></u> |
| 343,861 | Total Comprehensive Income attributable to members of the entity | | 33,230 |

The accompanying notes form part of this financial report.

ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022

| 2021 | | NOTE | 2022 |
|------------------|--------------------------------------|------|------------------|
| \$ | | | \$ |
| | ASSETS | | |
| | CURRENT ASSETS | | |
| 1,576,750 | Cash and Cash Equivalents | 5 | 888,836 |
| 34,423 | Trade and other receivables | 6 | 46,402 |
| <u>1,112,124</u> | Inventories | 7 | <u>1,282,833</u> |
| <u>2,723,297</u> | TOTAL CURRENT ASSETS | | <u>2,218,072</u> |
| | NON-CURRENT ASSETS | | |
| 27,234 | Future income tax benefit | | 14,760 |
| 1,198,202 | Property, Plant & Equipment | 8 | 2,551,855 |
| 171,282 | Capital Works in Progress | | - |
| <u>-</u> | Right of Use Asset | 9 | <u>5,208,271</u> |
| <u>1,396,717</u> | TOTAL NON-CURRENT ASSETS | | <u>7,774,886</u> |
| <u>4,120,015</u> | TOTAL ASSETS | | <u>9,992,958</u> |
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 708,945 | Trade and other payables | 10 | 826,607 |
| 725,000 | Borrowings | 11 | 121,811 |
| - | Lease liabilities | | 312,000 |
| <u>210,288</u> | Provisions | 12 | <u>190,666</u> |
| <u>1,644,233</u> | TOTAL CURRENT LIABILITIES | | <u>1,451,084</u> |
| | NON-CURRENT LIABILITIES | | |
| 78,354 | Borrowings | 11 | 1,218,449 |
| - | Lease liabilities | | 4,886,555 |
| <u>45,451</u> | Provisions | 12 | <u>51,705</u> |
| <u>123,805</u> | TOTAL NON-CURRENT LIABILITIES | | <u>6,156,709</u> |
| <u>1,768,038</u> | TOTAL LIABILITIES | | <u>7,607,793</u> |
| <u>2,351,977</u> | NET ASSETS | | <u>2,385,165</u> |
| | EQUITY | | |
| 81,168 | Issued Capital | 13 | 81,168 |
| 399,377 | Reserves | 14 | 399,377 |
| <u>1,871,432</u> | Retained Earnings | | <u>1,904,620</u> |
| <u>2,351,977</u> | TOTAL EQUITY | | <u>2,385,165</u> |

The accompanying notes form part of this financial report.

ESK DISTRICT CO-OP LTD

ABN: 98 306 274 225

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

| | Ordinary Shares \$ | Retained Earnings \$ | Asset Revaluation Reserve \$ | General Reserve \$ | Share Purchase Reserve \$ | Capital Reserve \$ | TOTAL \$ |
|---|--------------------------|----------------------------|---------------------------------------|--------------------------|------------------------------------|--------------------------|------------------|
| Balance at 1 July 2020 | 81,168 | 1,135,441 | 668,920 | 46,290 | 632 | 75,665 | 2,008,116 |
| Profit/(Loss) for the period | - | 343,861 | - | - | - | - | 343,861 |
| Transfer Esk property revaluation component to Retained Earnings, on sale of Esk property | - | 392,130 | (392,130) | - | - | - | - |
| Balance at 30 June 2021 | 81,168 | 1,871,432 | 276,790 | 46,290 | 632 | 75,665 | 2,351,977 |
| Profit/(Loss) for the period | - | 33,230 | - | - | - | - | 33,230 |
| Prior year adjustment | - | (42) | - | - | - | - | (42) |
| Balance at 30 June 2022 | 81,168 | 1,904,620 | 276,790 | 46,290 | 632 | 75,665 | 2,385,165 |

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

| 2021 | | 2022 |
|-------------------------|---|-----------------------|
| \$ | | \$ |
| | NOTE | |
| | CASH FLOWS FROM OPERATING ACTIVITIES | |
| 16,882,768 | Receipts from customers | 18,329,283 |
| (13,872,700) | Payments to suppliers | (15,152,494) |
| (2,365,806) | Payments to employees | (2,810,783) |
| (65,809) | Income Tax Paid | (119,821) |
| 77 | Interest received | 1,765 |
| (90,038) | Interest paid | (69,652) |
| <u>488,492</u> | | <u>178,298</u> |
| | CASH FLOWS FROM INVESTING ACTIVITIES | |
| 830,000 | Proceeds on sale of Property, Plant & Equipment | - |
| (374,879) | Purchase of Property, Plant & Equipment | (1,351,118) |
| <u>455,121</u> | | <u>(1,351,118)</u> |
| | CASH FLOWS FROM FINANCING ACTIVITIES | |
| - | Proceeds from borrowings | 536,906 |
| - | Repayment of borrowings | - |
| - | Lease payments | (52,000) |
| <u>-</u> | | <u>484,906</u> |
| 943,613 | Net increase / (decrease) in cash held | (687,914) |
| <u>633,137</u> | Cash at beginning of year | <u>1,576,750</u> |
| <u><u>1,576,750</u></u> | Cash at end of year | <u><u>888,836</u></u> |
| | <u>a. Reconciliation of cash</u> | |
| | Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows: | |
| <u>1,576,750</u> | Cash and cash equivalents | <u>888,836</u> |
| <u><u>1,576,750</u></u> | | <u><u>888,836</u></u> |
| | <u>b. Reconciliation of Cash Flows from Operations with Profit after Income Tax</u> | |
| 343,861 | Profit/(Loss) after Income Tax | 33,230 |
| | Non-cashflows in profit: | |
| 115,846 | Add Depreciation | 171,381 |
| 11,736 | Add Loss / (deduct profit) on sale of plant & equipment | 19,117 |
| (10,403) | Add Loss / (deduct profit) on sale of land & buildings | - |
| - | Add non-cash interest on lease liability | 20,492 |
| | Changes in assets and liabilities: | |
| (9,762) | (Less increase) / Add decrease in Trade and other receivables | (11,979) |
| (147,860) | (Less increase) / Add decrease in Inventories | (170,709) |
| 24,780 | (Less increase) / Add decrease in Future Income Tax Benefit | 12,474 |
| 78,761 | Add increase / (Less decrease) in Trade and other payables | 117,660 |
| 81,533 | Add increase / (Less decrease) in Provisions | (13,368) |
| <u>488,492</u> | Cash Flows from Operating Activities (above) | <u>178,298</u> |

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 1: Statement of Significant Accounting Policies

The financial report is for Esk District Co-op Ltd ("the co-operative") as an individual co-operative. The co-operative is a co-operative limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB), the Co-operatives National Law (Queensland) and Co-operatives National Regulation (Queensland). The co-operative is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts in the financial report are in Australian Dollars, rounded to the nearest dollar.

The financial report was authorised for issue by the Board of Directors on the date of signing the Directors' Declaration.

Accounting Policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods and services to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, Plant and Equipment

Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct annual appraisals to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in Other Comprehensive Income and accumulated in the Asset Revaluation Reserve in Equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in Other Comprehensive Income under the heading Revaluation Surplus. All other decreases are charged to the Statement of Profit or Loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is re-stated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Depreciation

Property, plant and equipment, other than freehold land, are depreciated on a straight line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Buildings | 2.5% |
| Plant and Equipment | 7.5% - 66.6% |
| Motor Vehicles | 18.75% - 25% |
| Office Furniture | 11.25% - 50% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the Asset Revaluation Reserve relating to those assets are transferred to Retained Earnings.

(c) Financial Instruments

Derivative financial instruments

The co-operative has no derivative financial instruments.

Non-derivative financial instruments

Non-derivative financial instruments comprise the following accounts: Cash and Cash Equivalents, Trade and other receivables, Trade and other payables, Borrowings.

Financial assets and financial liabilities are recognised when the co-operative becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the co-operative commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Subsequent to initial recognition, non-derivative financial instruments are measured as follows:

Cash and Cash Equivalents are carried at amounts due. Cash and Cash Equivalents include cash on hand and petty cash, deposits held at call with banks, and other short-term highly liquid investments.

Trade and other receivables, Trade and other payables, and Borrowings are stated at their amortised cost. *Amortised Cost* is calculated as the amount at which the financial asset or liability is measured at initial recognition less principal repayments, agreed offsets and any reduction for impairment.

(d) Impairment of Assets

At each reporting date, the co-operative reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset (being the higher of the asset's fair value less costs to sell, and value in use), is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income, unless the asset is carried at a revalued amount in accordance with another Accounting Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the Accounting Standard.

In accordance with Accounting Standards, as the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and as the co-operative would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account, or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

(e) Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be wholly settled within one year have been measured at their nominal amount. Employee benefits expected to be wholly settled later than one year have also been measured at their nominal value, on the basis that it equates to the present value of the estimated future cash outflows to be made for those benefits.

Employee benefits are classified as a current liability where the co-operative does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time.

Contributions are made by the co-operative to an employee superannuation fund and are charged as expenses when incurred. The association has no legal obligation to provide benefits to employees on retirement.

(f) Goods and Services Tax (GST)

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

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the Australian Taxation Office.

(g) Income Tax

The income tax expense (income) for the year comprises current income tax expense/(income) and deferred income tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

(h) Provisions

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

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

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using either the first-in first-out basis, or an average cost amount.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short term highly liquid investments. Bank overdrafts are shown within short-term borrowings in Current Liabilities on the Statement of Financial Position.

(k) Leases

The co-operative as lessee

At inception of a contract, the co-operative assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the co-operative where the co-operative is a lessee. However, all contracts that are classified as short-term leases (leases with remaining lease term of 12 months or less), and all leases of low value assets, are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the co-operative uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the co-operative anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements, based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and by the co-operative.

No significant estimates or judgments have been made by the directors.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

(n) Fair value of Assets

The co-operative measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the co-operative would receive to sell an asset in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to fair value may be made having regard to the characteristics of the specified asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

(o) New Accounting Standards and Interpretations

A number of new and amended Accounting Standards and Interpretations are effective for annual periods beginning after the reporting period, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the co-operative.

ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 2: Other Income

| | 2021 | 2022 |
|---------------------------|---------------|---------------|
| | \$ | \$ |
| Interest income | 77 | 3,165 |
| Covid-19 Cash Flow Boost | 50,000 | - |
| Insurance claims | 18,835 | 91,099 |
| Sundry | 12,573 | 4,136 |
| Total Other Income | 81,485 | 98,400 |

Note 3: Profit for the Year

| | 2021 | 2022 |
|--|-------------|-------------|
| | \$ | \$ |
| The profit for the year includes the following specific expenses: | | |
| <u>Auditor's fees</u> | | |
| Audit of year end financial statements | 18,500 | 19,000 |
| Other services | - | - |
| | 18,500 | 19,000 |
| <u>Other</u> | | |
| Contributions to defined contribution superannuation funds | 194,099 | 241,640 |
| Rental expenses | 39,375 | 70,976 |
| Bad and doubtful debts expense | 23 | - |

Note 4: Income Tax Expense

| | 2021 | 2022 |
|---|-------------|-------------|
| | \$ | \$ |
| The components of tax expense comprise: | | |
| Current tax | 132,990 | 11,426 |
| Deferred tax | 24,781 | 1,047 |
| | 157,771 | 12,473 |
| The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows: | | |
| Prima facie tax payable on the profit from ordinary activities before income tax of 25% (2021: 26%) | 130,424 | 11,426 |
| Add /(deduct) tax effect of: | | |
| Non-assessable income - COVID-19 Cash Flow Boost | (13,000) | - |
| Non-assessable accounting profit on sale of land & buildings | (2,705) | - |
| Assessable tax profit on sale of land & buildings | 40,214 | - |
| Change in tax rate on future income tax benefit | 2,837 | 1,047 |
| Income tax attributable to the entity / (deferred) | 157,771 | 12,473 |

Note 5: Cash and Cash Equivalents

| | 2021 | 2022 |
|---------------|-------------|-------------|
| | \$ | \$ |
| Cash on hand | 5,560 | 5,560 |
| Cash at Bank | 471,190 | 883,276 |
| Term Deposits | 1,100,000 | - |
| | 1,576,750 | 888,836 |

ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 6: Trade and Other Receivables

| | 2021 | 2022 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 36,923 | 39,282 |
| Less: Provision for impairment | (2,500) | (2,500) |
| Other | - | 9,620 |
| | <u>34,423</u> | <u>46,402</u> |

Note 7: Inventories

| | 2021 | 2022 |
|----------------------|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| At cost: | | |
| Esk grocery | 242,758 | 447,562 |
| Toogoolawah grocery | 488,059 | 481,390 |
| Toogoolawah hardware | 381,306 | 353,881 |
| | <u>1,112,124</u> | <u>1,282,833</u> |

Note 8: Property, Plant and Equipment

| | 2021 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Land and Buildings at independent valuation | 979,441 | 2,289,190 |
| Less: Accumulated Depreciation | (166,220) | (183,509) |
| TOTAL LAND AND BUILDINGS | <u>813,221</u> | <u>2,105,681</u> |
| PLANT AND EQUIPMENT | | |
| Plant and Equipment at cost | 995,586 | 1,121,996 |
| Less: Accumulated Depreciation | (640,922) | (699,579) |
| Total Plant and Equipment | <u>354,664</u> | <u>422,417</u> |
| Motor Vehicles at cost | 79,724 | 79,724 |
| Less: Accumulated Depreciation | (52,129) | (57,656) |
| Total Motor Vehicles | <u>27,595</u> | <u>22,068</u> |
| Office Furniture at cost | 12,973 | 12,373 |
| Less: Accumulated Depreciation | (10,250) | (10,684) |
| Total Office Furniture | <u>2,723</u> | <u>1,689</u> |
| TOTAL PLANT AND EQUIPMENT | <u>384,981</u> | <u>446,173</u> |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u>1,198,202</u> | <u>2,551,855</u> |

Land & Buildings valuations were prepared by Herron Todd White dated 15 November 2016 (Esk) and Taylor Byrne dated 4 June 2019 (Toogoolawah).

A first registered mortgage is held by Judo Bank over 43 Cressbrook Street, Toogoolawah, as security for borrowings (see Note 10).

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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Movements in Carrying Amounts:

| | Land and Buildings | Plant and Equipment | Motor Vehicles | Office Furniture | TOTAL |
|---------------------------------|-----------------------|------------------------|-------------------|---------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 813,221 | 354,664 | 27,595 | 2,723 | 1,198,203 |
| Additions at cost | - | 1,522,358 | - | - | 1,522,358 |
| Disposals - written down value | - | (19,103) | - | (14) | (19,117) |
| Depreciation expense | (17,335) | (126,096) | (5,137) | (1,021) | (149,589) |
| Carrying amount at 30 June 2021 | <u>795,886</u> | <u>1,731,823</u> | <u>22,458</u> | <u>1,688</u> | <u>2,551,855</u> |

Note 9: Right of Use Assets

| | 2021 | 2022 |
|--|----------|------------------|
| | \$ | \$ |
| (a) AASB 16 related amounts recognised in the Statement of Financial Position | | |
| Leased Building | - | 5,230,063 |
| Accumulated depreciation | - | (21,792) |
| | <u>-</u> | <u>5,208,271</u> |

During the year the co-operative began a 20 year lease of the Esk property. The lease contains 2 x 10 year extension options, exercisable solely at the discretion of the co-operative. Rent comprises a fixed component, and a variable component based on exceeding a set amount of turnover. The right of use asset has been calculated based on the fixed component only, and assuming a 20 year lease term.

Movement in carrying amounts:

| | | |
|--------------------------------|----------|------------------|
| Opening net carrying amount | - | - |
| Addition to Right of Use Asset | - | 5,230,063 |
| Depreciation expense | - | (21,792) |
| Net carrying amount | <u>-</u> | <u>5,208,271</u> |

(b) AASB 16 related amounts recognised in the Statement of Profit or Loss

| | | |
|---------------------------------------|---|--------|
| Interest expense on lease liabilities | - | 20,492 |
|---------------------------------------|---|--------|

(c) Total future lease payments at the end of the reporting period

| | | |
|-----------------------------|----------|------------------|
| No later than 1 year | - | 312,000 |
| Between 1 to 5 years | - | 1,473,089 |
| Greater than 5 years | - | 3,444,974 |
| Total future lease payments | <u>-</u> | <u>5,230,063</u> |

Note 10: Trade and Other Payables

| | 2021 | 2022 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables | 599,109 | 801,453 |
| Income tax payable / (refundable) | 60,858 | (58,964) |
| GST payable | (1,973) | (16,323) |
| Superannuation payable | 20,787 | 67,334 |
| PAYG withholding payable | <u>30,165</u> | <u>33,108</u> |
| | <u>708,945</u> | <u>826,607</u> |

ESK DISTRICT CO-OP LTD
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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 11: Borrowings

| | 2021 | 2022 |
|--------------------|----------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Bank loans | 725,000 | 121,811 |
| | <u>725,000</u> | <u>121,811</u> |
| NON-CURRENT | | |
| Bank loans | - | 1,096,298 |
| Other liabilities | 78,354 | 122,152 |
| | <u>78,354</u> | <u>1,218,449</u> |

Equipment loans are secured by the underlying assets. The bank loan is secured by first registered mortgage over property owned by the co-operative at 43 Cressbrook Street, Toogoolawah, and by general charge over all present and future acquired property.

Note 12: Provisions

| | 2021 | 2022 |
|-----------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Employee entitlements | 210,288 | 190,666 |
| | <u>210,288</u> | <u>190,666</u> |
| NON-CURRENT | | |
| Employee entitlements | 45,451 | 51,705 |
| | <u>45,451</u> | <u>51,705</u> |

Movement in Provisions:

| | Employee Entitlements | TOTAL |
|--|-----------------------|----------------|
| | \$ | \$ |
| Balance at 1 July 2021 | 255,739 | 255,739 |
| Additional provisions raised during the year | (152,925) | (152,925) |
| Amounts used | 139,556 | 139,556 |
| Balance at 30 June 2022 | <u>242,371</u> | <u>242,371</u> |

Provision for employee entitlements represents amounts accrued for annual leave and long service leave.

The current portion includes the total amount accrued for annual leave entitlements, and the amounts accrued for long service leave entitlements that have vested due to the employees having completed the required period of service. Based on past experience, the co-operative does not expect the full amount of balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities as the co-operative does not have an unconditional right to defer settlement of these amounts should employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested as employees have not yet completed the required period of service.

ESK DISTRICT CO-OP LTD
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NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 13: Issued Capital

| | 2021 | 2022 |
|---------------------------------------|---------------|---------------|
| | \$ | \$ |
| 40,584 (2019: 40,584) ordinary shares | 81,168 | 81,168 |
| | <u>81,168</u> | <u>81,168</u> |
| | <u>81,168</u> | <u>81,168</u> |

The Rules of the co-operative specify that the par value a share is \$2. The Rules do not specify an amount of share capital authorised for issue.

At a meeting of members, each member is entitled to one vote regardless of the number of shares the member owns.

On windup or dissolution of the co-operative, members are entitled to be paid or distributed the balance of any property remaining after all debts and liabilities have been satisfied. Such payment/distribution must be in proportion to the member's shareholding.

Note 14: Reserves

| | 2021 | 2022 |
|---------------------------|----------------|----------------|
| | \$ | \$ |
| Asset Revaluation Reserve | 276,790 | 276,790 |
| Other reserves | 122,587 | 122,587 |
| | <u>399,377</u> | <u>399,377</u> |
| | <u>399,377</u> | <u>399,377</u> |

The Asset Revaluation Reserve records the cumulative amount of gains or losses recognised in re-measuring Land and Buildings at fair value.

Other reserves are amounts set aside for general and/or capital use.

Note 15: Key Management Personnel Compensation

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

The total remuneration paid to key management personnel of the co-operative during the year is as follows:

| | 2021 | 2022 |
|---------------------------------------|-------------|-------------|
| | \$ | \$ |
| Key Management Personnel compensation | 134,667 | 151,479 |

Note 16: Related Party Transactions

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Note 17: Financial Risk Management

Financial Risk Management Policies

The co-operative's financial instruments consist mainly of deposits with banks, short-term investments, trade and other receivables, trade and other payables, and equipment loans and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

| | 2021 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| <u>Financial Assets</u> | | |
| Cash and cash equivalents | 1,576,750 | 888,836 |
| Trade and other receivables | 34,423 | 46,402 |
| Total Financial Assets | 1,611,173 | 935,239 |
| <u>Financial Liabilities</u> | | |
| Financial liabilities at amortised cost: | | |
| - Trade and other payables | 708,945 | 826,607 |
| - Borrowings - current | 725,000 | 121,811 |
| - Borrowings - non-current | 312,000 | 1,218,449 |
| - Lease liabilities - current | - | 312,000 |
| - Lease liabilities - non-current | - | 4,886,555 |
| Total Financial Liabilities | 1,745,945 | 7,365,422 |

Net Fair Values

All of the co-operative's financial assets and liabilities are short-term instruments in nature whose carrying amount is equivalent to fair value. 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 transaction.

Note 18: Fair Value Measurements

The co-operative has the following asset that is measured at fair value on a recurring basis after initial recognition. The co-operative does not subsequently measure any liabilities at fair value on a recurring basis, and has no assets or liabilities that are measured at fair value on a non-recurring basis.

| | 2021 | 2022 |
|---|-------------|-------------|
| | \$ | \$ |
| Asset at fair value through Other Comprehensive Income: | | |
| Land and Buildings | 813,221 | 2,105,681 |

Note 19: Events Occurring after 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 the affairs of the co-operative in future financial years.

Note 20: Entity Details

The registered office and principal place of business of the co-operative is:
43 Cressbrook Street
TOOGOLAWAH QLD 4313

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2022**

The directors of the co-operative declare that:


1. The financial statements and notes are in accordance with the Co-operatives National Law (Queensland) and:

- (a) comply with Australian Accounting Standards - Simplified Disclosures and Co-operatives National Regulation (Queensland); and
- (b) give a true and fair view of the financial position of the co-operative as at 30 June 2022 and its financial performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:

Director: 
Dr ACB FitzGerald

Director: 
TV O'Brien

Dated this 7th day of OCTOBER 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ESK DISTRICT CO-OP LTD
ABN: 98 306 274 225**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Esk District Co-op Ltd ("the co-operative") which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion the financial report of the co-operative has been prepared in accordance with the Co-operatives National Law (Queensland), including:

- (i) giving a true and fair view of the co-operative's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Co-operatives National Regulation (Queensland).

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 for the Audit of the Financial Report section of our report below. We are independent of the co-operative in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of the co-operative are responsible for the other information. The other information comprises the information included in the co-operatives's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's opinion thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the co-operative are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements and the Co-operatives National Law (Queensland), and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the co-operative's ability to continue as a going concern and disclosing (where applicable) matters relating to going concern, and for using the going concern basis of accounting unless the directors either intend to liquidate the co-operative or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report


Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of Firm: Baulch & Associates
Chartered Accountants

Director: 
BP Baulch

Address: 135A Russell Street, Toowoomba QLD 4350

Dated this 5th **day of** October 2022