



tasmanian  
independent  
retailers

ADDRESS 8 TRANSLINK AVE, WESTERN JUNCTION, TASMANIA, 7212

MAIL LOCKED BAG 4, LAUNCESTON, TAS 7250

PH 03 6391 0200 FAX 03 6391 0299

EMAIL RECEPTION@IGATAS.COM.AU WEB IGATAS.COM.AU

ABN 89 743 048 843

a division of tasmanian independent retailers co-operative society limited

# FINANCIAL REPORT

## YEAR ENDED 30 JUNE 2017

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**DIRECTORS REPORT**

Your directors present their report of Tasmanian Independent Retailers Co-Operative Society Ltd (the co-operative) for the financial year ended 30 June 2017.

**Directors**

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

	Eligible Meetings	Meetings Attended
Brett Mackay	9	9
Michael Baxter	9	9
Peter Aulich	9	8
Greg Raspin	9	9
Chris Hill	9	9
Amy Reiner	9	9
Mark Colson	9	9

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

**Director qualifications and experience and responsibilities**

**Michael Baxter**

Michael Baxter joined the board as a member director in November 2005.

Experience: Mr Baxter is a director of Shearwater Supermarket (Tas) Pty Ltd, former operator of IGA Shearwater. He is also a shareholder of DRB Retail Pty Ltd, operator of IGA Prospect.

**Peter Aulich**

Peter Aulich joined the board as a member director in November 2005 and is a former Chairman of the Board.

Experience: Mr Aulich is a director of RJ & VM Waldren Pty Ltd, existing operator of IGA Bicheno.

**Greg Raspin**

Greg Raspin joined the board as a member director in November 2008 and was appointed as Chairman in August 2016.

Experience: Mr Raspin is operator of IGA X-press Swansea

**Brett Mackay**

Brett Mackay joined the board as a member director in November 2002.

Experience: Mr Mackay is existing operator of IGA X-press Lindisfarne.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**Director qualifications and experience and responsibilities (cont'd)**

**Chris Hill**

Chris Hill joined the board as a member director in November 2011.

Experience: Mr Hill is a director of CG & KA Hill Pty Ltd, existing operator of Hilly's IGA St Helens & St Marys

**Mark Colson**

Mark Colson joined the board as a member director in November 2015.

Experience: Mr Colson is a director M & L Colson Investments Pty Ltd, existing operator of IGA Norwood.

**Amy Reiner**

Amy Reiner joined the board as a member director in November 2015.

Experience: Ms Reiner is a director Browns Store Pty Ltd , existing operator of Supa IGA Longford.

**Secretary qualifications and experience**

**Daniel Milner**

Daniel Milner was appointed secretary of Tasmanian Independent Retailers Co-Operative Society Ltd in January 2015.

Mr Milner joined TIR in July 2013 as internal financial accountant and is a Certified Practising Accountant (CPA). Prior to joining TIR he held the roles as Financial Accountant for Melbourne Stadiums Limited, Trust Accountant for Computershare, Analyst for Invesco Trimark Canada, and Accountant for Deloitte.

**Principal Activities**

The principal activities of the co-operative during the financial year were that of Investor, Fruit and Vegetable Wholesaler and Retail Marketer.

**Changes in State of Affairs**

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

**Review of Operations**

The consolidated profit of the co-operative for the financial year after providing for income tax amounted to \$2,798,694.

**Dividends/Distributions**

No Dividends/Distributions have been paid during or proposed since the end of the financial

**Subsequent Events**

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

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

of those operations, or the state of affairs of the co-operative in future financial years.

**Future 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.

**Share 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 this report.

**Indemnification of Officers and Auditors**

During or since the end of the financial year, the co-operative has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The co-operative has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the co-operative, other than conduct involving a wilful breach of duty in relation to the co-operative.

**Legal Proceedings**

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.

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



.....  
Brett MacKay



.....  
Michael Baxter

Dated: 6 March 2019

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Continuing operations</b>			
Sale of goods from continued operations		26,282,773	26,510,342
Cost of sales from continued operations		<u>(20,989,858)</u>	<u>(21,703,810)</u>
<b>Gross profit</b>		<b>5,292,915</b>	<b>4,806,532</b>
Charge through revenue		2,792,913	2,518,496
Supplier case allowance revenue		19,844,248	18,742,572
Supplier terms revenue		7,934,985	7,854,859
Investment revenue		870,183	834,696
Share of net profit from associates using the the equity method		2,107,169	1,636,829
Change in fair value of investment property		575,000	500,000
Change in fair value of Financial investments		(5,665)	(49,833)
Other revenue		<u>393,580</u>	<u>608,436</u>
<b>Total income</b>		<b>39,805,328</b>	<b>37,452,587</b>
Case subsidies and price support		(19,237,113)	(18,004,683)
Advertising and marketing expenses		(2,322,151)	(2,628,013)
Depreciation and amortisation expenses		(742,664)	(706,230)
Employee benefits expense		(6,371,206)	(6,111,681)
Financial expenses		(10,480)	(146,446)
Motor vehicle and delivery expenses		(591,907)	(503,461)
Property and occupancy expenses		(562,947)	(478,843)
Information, communication and technology		(419,803)	(376,385)
Other expenses		<u>(1,088,878)</u>	<u>(1,364,615)</u>
<b>Profit/(Loss) before tax and member distributions</b>		<b>8,458,179</b>	<b>7,132,230</b>
<b>Member distributions</b>			
Equipment development fund expense		(829,110)	(1,001,005)
Purchase Incentive payment expense		<u>(4,560,334)</u>	<u>(3,772,516)</u>
<b>Profit/(Loss) before tax</b>		<b>3,068,735</b>	<b>2,358,709</b>
Income tax (expense)/benefit	3	<u>(270,041)</u>	<u>(195,811)</u>
<b>Profit/(Loss) for the year</b>		<b>2,798,694</b>	<b>2,162,898</b>
<b>Total comprehensive income for the year</b>	2	<u><u>2,798,694</u></u>	<u><u>2,162,898</u></u>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT**  
**30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash assets	4	6,546,982	7,972,269
Receivables	5	7,082,488	6,399,733
Inventories	6	708,566	855,008
Current tax assets	7	50,232	112,080
Other assets	8	127,683	60,565
Financial assets	9	-	88,495
<b>Total current assets</b>		<u>14,515,951</u>	<u>15,488,150</u>
<b>Non-current assets</b>			
Financial assets	9	3,682,059	3,408,528
Investment accounted for using the equity method	10	19,224,412	17,117,243
Investment property	11	6,675,000	6,100,000
Property, plant & equipment	12	8,953,797	9,083,847
Deferred tax asset	13	662,749	681,350
Intangible assets	14	234,275	234,275
<b>Total non-current assets</b>		<u>39,432,292</u>	<u>36,625,243</u>
<b>Total assets</b>		<u>53,948,243</u>	<u>52,113,393</u>
<b>Current liabilities</b>			
Payables	15	7,648,690	9,199,209
Deferred tax liability	16	602,836	351,398
Interest bearing liabilities	17	186,756	86,503
Provisions	18	1,024,180	975,544
<b>Total current liabilities</b>		<u>9,462,462</u>	<u>10,612,654</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	17	208,743	22,005
<b>Total non-current liabilities</b>		<u>208,743</u>	<u>22,005</u>
<b>Total liabilities</b>		<u>9,671,205</u>	<u>10,634,659</u>
<b>Net assets</b>		<u>44,277,038</u>	<u>41,478,734</u>
<b>Equity</b>			
Contributed equity	19	7,100	7,490
Retained profits	20	44,269,938	41,471,244
<b>Total equity</b>		<u>44,277,038</u>	<u>41,478,734</u>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		56,386,111	54,742,607
Payments to suppliers and employees		(58,780,450)	(54,951,863)
Financial income received		355,643	349,788
Other receipts		1,039,319	1,224,125
Income tax received/(paid)		61,848	(43,986)
<b>Net cash provided by/(used in) operating activities</b>		<b>(937,529)</b>	<b>1,320,671</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		237,854	94,354
Payment for property, plant and equipment		(821,513)	(689,794)
Proceeds from the disposal of/(payments for) investments		(190,700)	3,997,330
<b>Net cash provided by/(used in) investing activities</b>		<b>(774,359)</b>	<b>3,401,890</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		456,750	74,789
Repayment of borrowings		(169,759)	(3,632,844)
Shares issued/(repurchased)		(390)	(4,760)
<b>Net cash provided by/(used in) financing activities</b>		<b>286,601</b>	<b>(3,562,815)</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,425,287)</b>	<b>1,159,746</b>
Cash at beginning of year		7,972,269	6,812,523
<b>Cash at end of year</b>	<b>4</b>	<b>6,546,982</b>	<b>7,972,269</b>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	Note	Contributed equity \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2015</b>		7,490	39,308,346	39,315,836
Profit attributable to equity shareholders		-	2,162,898	2,359,793
Transfers to/(from) reserve		(390)	-	(390)
<b>Balance at 30 June 2016</b>		7,100	41,471,244	41,478,344
Profit attributable to equity shareholders		-	2,798,694	2,798,694
Share issued during the year		-	-	-
<b>Balance at 30 June 2017</b>		7,100	44,269,938	44,277,038

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Note 1: Basis of Preparation**

**1.1 Reporting entity concept**

The Directors have determined that Tasmanian Independent Retailers Co-operative Society Ltd (the co-operative) is a reporting entity.

The Directors have elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial report prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Co-operatives National Law (Tasmania) Act 2015*. The co-operative is a for-profit entity for the purposes of preparing the financial statements.

The general purpose financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Directors on 28th February 2019.

**1.2 Changes in accounting policies**

**1.2 (a) Reissue as general purpose financial statements**

As agreed by the members at the annual general meeting held on 28th November 2018, the Directors have undertaken to reissue the 2017 Financial Report adopting Australian Accounting Standards.

**1.3 Basis of accounting**

The financial statements have been prepared on an accruals basis and are based on historical costs, except for investments and investment properties which are measured at fair value.

Cost is based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars, which is the co-operative's functional currency. Amounts have been rounded to the nearest dollar unless otherwise stated.

In the application of Australian Accounting Standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments are disclosed in the relevant notes.

**1.4 Australian Accounting Standards issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ended 30 June 2017 and have not been adopted by the co-operative when preparing the 2016-17 financial report. The standards will be applied in the annual reporting periods beginning on or after the effective dates set out below. The co-operative has reviewed the pending standards and considers the following standards may apply. Standards that are not considered relevant to the co-operative have not been included.

(i) AASB 9 Financial Instruments (effective 1 January 2018) AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Initial review has indicated that there is not expected to be a significant impact on the co-operative's financial statements from adopting the standard.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

(ii) AASB 15 Revenue from Contracts with Customers (effective 1 January 2018) AASB 15 establishes principles for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Upon reviewing the requirements of this standard, there is not expected to be a significant impact on the co-operative's financial statements.

(iii) AASB 16 Leases (effective 1 July 2019) AASB 16 requires all leases to be accounted for on the statement of financial position, as the distinction between operating and finance leases has been removed, other than short-term and low value asset leases. Initial review has indicated that there is not expected to be a significant impact on the co-operative's financial statements from adopting the standard.

### **1.5 Income tax**

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

### **1.6 Property, plant and equipment**

Each class of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

#### **Land**

Land that is vacant or held for use in production or administration is carried at acquisition cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

#### **Buildings, Plant and Equipment & Motor vehicles**

Buildings, Plant and Equipment & Motor vehicles are initially recognised at acquisition cost

#### **Depreciation**

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value. The following useful lives are applied:

<b>Class of fixed asset</b>	<b>Useful life</b>
Buildings	40 years
Plant & Equipment	2-20 years
Motor vehicles	4 years

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

### **1.7 Leases**

#### **Finance leases**

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to profit or loss, as finance costs over the period of the lease.

#### **Operating leases**

All other leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

### **1.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using an average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

### **1.9 Financial instruments**

#### **Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- Held-to-maturity (HTM) investments
- Available-for-sale (AFS) financial assets

All financial assets except for those at fair value through profit or loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss (FVTPL) include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**Held-to-maturity (HTM) investments**

Held-to-maturity (HTM) investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the intention and ability to hold them until maturity.

Held-to-maturity (HTM) investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

**Classification and subsequent measurement of financial liabilities**

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**1.10 Investments in associates and joint arrangements**

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the co-operative's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the co-operative's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the co-operative's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the co-operative.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

Unrealised gains and losses on transactions between the co-operative and its associates and joint ventures are eliminated to the extent of the co-operative's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

**1.11 Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are revalued annually and are included in the statement of financial position at their open market value. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively, and are recognised as described in the Revenue Note.

**1.12 Intangibles**

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred; (b) the recognised amount of any non-controlling interest in the acquiree; and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

**1.13 Employee benefits**

**Short-term employee benefits**

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The co-operatives's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The co-operatives presents employee benefit obligations as current liabilities in the statement of financial position if the co-operatives does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

**Provisions, contingent liabilities and contingent assets**

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the co-operative has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the co-operative and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the co-operative can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

#### **1.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### **1.15 Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the co-operative during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### **1.16 Revenue**

Revenue from the sale of goods is recognised at the point of the delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all responsibilities.

Charge through revenue (from providing extended supplier trading terms to members) is recognised on a net basis and is recognised at the point where the payment is made to the supplier.

Investment revenue when the right to receive payment is established. Differences between the net fair values of investments at the reporting date and their net fair values at the previous reporting date (or cost of acquisition if acquired during the financial year) are recognised as a revenue or expense in the statement of comprehensive income in the reporting period in which the changes occur.

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

#### **1.17 Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

#### **1.18 Comparative figures**

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

Where the co-operative has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

#### **1.19 Impairment testing of goodwill, other intangible assets and property, plant and equipment**

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the co-operative at which management monitors goodwill.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

Cash-generating units to which goodwill has been allocated (determined by the co-operative's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

The data used for impairment testing procedures are directly linked to the co-operative's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash generating unit's recoverable amount exceeds its carrying amount.

#### **1.20 Equity, reserves and dividend payments**

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

#### **1.21 Significant management judgement in applying accounting policies and estimation**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### **Significant management judgement**

The following are significant management judgements in applying the accounting policies of the co-operative that have the most significant effect on the financial statements.

##### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the co-operatives's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

##### **Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### **Impairment**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

##### **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
(ABN 89 743 048 843)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

**2017**                      **2016**  
**\$**                                      **\$**

**Note 2: Operating Profit**

Profit from ordinary activities before income tax expense has been determined after:

**(a) Revenue and Net Gains**

Sales of goods - Island Fresh Produce	24,568,671	24,996,970
Sales of goods - TIR retail operations	1,714,102	1,513,372
Conference revenue	31,167	198,697

**(b) Expenses**

Bad & doubtful debts	(5,243)	14,632
Remuneration of the auditor:		
- audit or review	15,000	15,000
- other services	3,650	3,500
Conference expenses	106,348	307,540
Non-member rebates	261,280	312,308
Insurance	211,765	214,918
Meetings and travel		
- Retail operations	52,940	50,667
- other	80,285	93,925
Property development rebate	49,063	24,035

**Note 3: Income Tax Expense**

**Current income tax reconciliation:**

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Profit from ordinary activities before income tax	3,068,735	2,358,709
Effective tax rate	30%	30%
<b>Expected tax expense</b>	<b>920,621</b>	<b>707,613</b>
Adjustment for:		
- relating to equity accounted investments	(632,151)	(491,049)
- franking and other tax credits	(18,429)	(20,753)
Income tax expense attributable to profit from ordinary activities	270,041	195,811

**Tax expense comprises:**

Current income tax expense/(benefit)	-	27,547
Deferred tax (income)/expense relating to the origination and reversal of temporary differences	270,041	150,560
Prior years under/(over) provision of income tax	-	17,704
Total income tax expense	270,041	195,811

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4: Cash Assets</b>		
Cash on hand	900	1,305
Cash at bank	6,546,082	7,970,964
	<u>6,546,982</u>	<u>7,972,269</u>
<b>Note 5: Receivables</b>		
Trade debtors	7,111,738	6,428,983
Provision for impairment of receivables	(29,250)	(29,250)
	<u>7,082,488</u>	<u>6,399,733</u>
<b>Note 6: Inventories</b>		
Stock on hand	<u>708,566</u>	<u>855,008</u>
<b>Note 7: Current tax assets</b>		
Income tax receivable	<u>50,232</u>	<u>112,080</u>
<b>Note 8: Other Assets</b>		
<b>Current</b>		
Prepayments	<u>127,683</u>	<u>60,565</u>
	<u>127,683</u>	<u>60,565</u>
<b>Note 9: Financial Assets</b>		
Listed equities	21,264	16,834
Listed unit trusts	127,847	141,822
Unlisted trusts	3,532,947	3,249,871
Other financial instruments	1	88,496
	<u>3,682,059</u>	<u>3,497,023</u>
Due within 12 months	-	88,495
Due in more than 12 months	<u>3,682,059</u>	<u>3,408,528</u>
	<u>3,682,059</u>	<u>3,497,023</u>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
(ABN 89 743 048 843)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10: Investment in associated entities</b>		
Interest are held in the following associated companies:		
Statewide Independent Wholesalers Ltd		
- Principal activity	Food wholesaling	
- Ownership interest	40%	40%
Statewide Independent Wholesalers Limited engages in the wholesale of food and grocery products in Tasmania. The company was incorporated in 1979 and is based in Western Junction, Tasmania. Statewide Independent Wholesalers Limited operates as a jointly owned company of Tasmanian Independent Retailers Co-operative Ltd and Woolworths Group Limited.		
<b>a) Movements during the year in equity accounted investments in associated companies</b>		
Balance at beginning of the financial year	17,117,243	15,480,414
Share of associated company's net profit/(loss) after income tax	2,107,169	1,636,829
Share of associated company's reserve increments arising during the year	-	-
Dividend revenue from associated company	-	-
Repayment of loans during the year	-	-
Balance at end of the financial year	19,224,412	17,117,243
<b>b) Equity accounted associate profits are broken down as follows</b>		
Share of associates net profit before income tax expense	3,017,328	2,341,912
Share of associates income tax (expense)/benefit	(910,159)	(705,083)
Share of associates net profit after income tax expense	2,107,169	1,636,829
<b>c) Summarised presentation of aggregate assets, liabilities and performance of associates</b>		
Current assets	131,170,144	114,956,940
Non-current assets	15,713,363	16,127,647
Total assets	146,883,507	131,084,587
Current liabilities	87,281,075	78,599,189
Non-current liabilities	12,540,400	10,691,289
Total liabilities	99,821,475	89,290,478
Net assets	47,062,032	41,794,109
Revenue	971,610,613	906,375,095
Profit/(Loss) after income tax expense	5,267,923	4,092,073
<b>d) Sales to members</b>		
Sales from SIW to TIR members	202,263,721	194,415,625

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
(ABN 89 743 048 843)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Note 11: Investment Property</b>		
Refer Note 1.11. Investment properties includes a shopping centre complex located in St Helens, Tasmania and the Directors of the co-operative consider the property to be a strategic asset for the co-operative. The property is leased on an arm's length basis.		
Balance at 1 July	6,100,000	5,600,000
Acquisitions	-	-
Capitalised subsequent expenditure	-	-
Change in fair value	575,000	500,000
	<u>6,675,000</u>	<u>6,100,000</u>
<b>Note 12: Property, Plant &amp; Equipment</b>		
Land and buildings at cost	7,002,949	6,979,043
Less accumulated depreciation	(457,433)	(303,556)
	<u>6,545,516</u>	<u>6,675,487</u>
Plant and equipment at cost	3,139,929	3,637,710
Less accumulated depreciation	(1,653,285)	(1,882,060)
	<u>1,486,644</u>	<u>1,755,650</u>
Motor vehicles at cost	2,851,677	2,543,379
Less accumulated depreciation	(1,930,040)	(1,890,669)
	<u>921,637</u>	<u>652,710</u>
Total Property, Plant and Equipment	<u>8,953,797</u>	<u>9,083,847</u>
<b>Note 13: Deferred Tax Assets</b>		
Future income tax benefit	662,749	681,350
	<u>662,749</u>	<u>681,350</u>
<b>Note 14: Intangible Assets</b>		
Preliminary expenses	55	55
Trademarks	1,715	1,715
Goodwill at cost	232,505	232,505
	<u>234,275</u>	<u>234,275</u>
<b>Note 15: Payables</b>		
<b>Current</b>		
Trade creditors	6,671,176	7,932,835
Accrued expenses	977,514	1,266,374
	<u>7,648,690</u>	<u>9,199,209</u>
<b>Note 16: Deferred tax liabilities</b>		
Future income tax liability	602,836	351,398
	<u>602,836</u>	<u>351,398</u>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
(ABN 89 743 048 843)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 17: Interest Bearing Liabilities</b>		
<b>Current</b>		
Asset purchase liability	186,756	24,135
Bank loan secured	-	62,368
	186,756	86,503
<b>Non-current</b>		
Asset purchase liability	208,743	22,005
Bank loan secured	-	-
	208,743	22,005
	395,499	46,140
<b>Note 18: Provisions</b>		
<b>Current</b>		
Employee entitlements	1,024,180	975,544
Number of employees at year end:	95	95
<b>Note 19: Contributed Equity</b>		
3,550 (2016: 3,745) fully paid ordinary shares	7,100	7,490

(a) Ordinary shares participate in dividends and proceeds on winding up of the co-operative in proportion to the number of shares held.

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

<b>Note 20: Retained Profits</b>		
Retained profit at the beginning of the financial year	41,471,244	39,308,346
Profit from ordinary activities after income tax expense	2,798,694	2,162,898
Transfer from reserves	-	-
Retained profit at the end of the financial year	44,269,938	41,471,244

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

	2017	2016
	\$	\$
<b>Note 21: Dividends paid and franking credits</b>		
Dividends per share paid or declared	-	-
Franking account balance (tax paid basis)	<u>11,101,752</u>	<u>11,160,909</u>

**Note 22: Related party transactions**

**Transactions with Directors**

The Directors and entities associated with Directors of the co-operative, own and operate businesses that transact with the co-operative in the normal course of business. Unless otherwise stated below, none of the transactions incorporate special terms and conditions more favourable than other co-operative members.

**Equipment lease - Norwood IGA**

An entity associated with Director Mark Colson, M&L Colson Investments Pty Ltd, is party to lease with the co-operative to hire purchase plant and equipment that was acquired by the co-operative and installed at the Norwood site as part of the development of the site. The lease was entered into when the entity acquired the business and was prior to Mr Colson being elected as a Director of the co-operative. The terms of the lease were negotiated at that time and are considered to be no more favourable than available to other members

**Lease - Spreyton IGA**

The co-operative is the head leasee of the Spreyton IGA building. An entity associated with Director Michael Baxter, is the property land owner. The Directors consider the property to be a strategic location for the co-operative and the terms of the lease were negotiated and are considered to be no more favourable than available to other members. There is no net cost to the co-operative being involved in the lease.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Note 23: Fair value measurements**

Fair value measurements are classified using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy comprises the following three levels:

**Level 1** fair value measurements are derived from unadjusted quoted prices in active markets for identical assets or liabilities. The co-operative's primary level 1 financial instruments comprise its direct investment in listed Australian equities.

**Level 2** fair value measurements are based on market observable inputs other than quoted prices, including dealer quotations or alternative pricing sources and models. The observable inputs include prices and/or those derived from prices. The co-operative's level 2 financial instruments primarily comprise investments in:

- unlisted managed investment trusts where the prices of units are either published on the investment managers' websites and/or circulated among market participants as executable quotes. The co-operative holds units in managed investment trusts that invest in listed Australian and international equities, property, infrastructure and fixed income.

**Level 3** fair value measurements are based on significant unobservable inputs where the fair values are derived from valuation techniques based on assumptions that are not supported by observable market data. Level 3 instruments include investments that are not based on market inputs or securities that are in an inactive/illiquid market and are valued using models and internal data. Financial assets classified as level 3 comprise the co-operative's investments in investment properties. As these investments are not traded in an active market their fair value at reporting date is based on the fair values determined by appropriately skilled independent valuers.

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes "observable" requires significant judgement and it is considered that observable data is market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

	<b>30-June-2017</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Recurring fair value measurements</b>				
Financial assets	149,111	3,532,947	-	3,682,058
Investment property	-	-	6,675,000	6,675,000
Loans and receivables	7,082,488	-	-	7,082,488
	<u>7,231,599</u>	<u>3,532,947</u>	<u>6,675,000</u>	<u>17,439,546</u>

	<b>30-June-2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Recurring fair value measurements</b>				
Financial assets	158,656	3,249,871	-	3,408,527
Investment property	-	-	6,100,000	6,100,000
Loans and receivables	6,399,733	-	-	6,399,733
	<u>6,558,389</u>	<u>3,249,871</u>	<u>6,100,000</u>	<u>15,908,260</u>

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
(ABN 89 743 048 843)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2017**

**Note 24: Key management personnel information**

**Non-executive Director remuneration**

Non-executive Director remuneration is agreed to by the members at each AGM.

The following table discloses the remuneration details for each person that acted in a key management personnel position during the financial year:

Name	Position	Director fee
<b>30-June-2017</b>		
Greg Raspin	Chairman	18,338
Peter Aulich	Chairman	10,224
Michael Baxter	Director	13,252
Brett Mackay	Director	13,949
Chris Hill	Director	14,320
Amy Reiner	Director	8,253
Mark Colson	Director	14,645
		92,981
<b>30-June-2016</b>		
Peter Aulich	Chairman	18,370
Greg Raspin	Director	13,548
Michael Baxter	Director	18,248
Brett Mackay	Director	17,778
Chris Hill	Director	12,286
Amy Reiner	Director (appointed 25/11/2015)	7,223
Mark Colson	Director (appointed 25/11/2015)	4,520
		91,973

**Key management personnel remuneration**

Remuneration levels for key management personnel are set in accordance with the current co-operative Remuneration Guidelines. Under these Guidelines, remuneration is assessed against various industry bands and benchmarks.

The employment terms and conditions of key management personnel are contained in individual employment contracts and prescribe total remuneration, superannuation, motor vehicle and salary sacrifice provisions. In addition to their salaries, the co-operative also provides non-cash benefits and contributes to post-employment superannuation plans on their behalf. The performance of each key management personnel, is reviewed annually which includes a review of the remuneration package.

The following table discloses the remuneration details for persons that acted in a key management personnel position during the financial year:

Name	Position	Base Salary 1	Super- annuation 2	Motor vehicle 3	Other 4	Other non- cash benefits 5	Total remun- eration
<b>30-June-2017</b>							
Grant Hinchcliffe	CEO						
Ian Heyburn	GM Fresh Foods						
Ron Barker	GM Merchandise & Marketing						
Craig Smith	GM Retail Ops & Development						
Daniel Milner	Accountant & Company Secretary						
		790,120	74,852	10,729	3,600	30,355	911,994
<b>30-June-2016</b>							
Grant Hinchcliffe	CEO						
Ian Heyburn	GM Fresh Foods						
Ron Barker	GM Merchandise & Marketing						
Craig Smith	GM Retail Ops & Development						
Daniel Milner	Accountant & Company Secretary						
		780,311	73,580	11,124	8,800	8,849	882,664

<sup>1</sup> Gross salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

<sup>2</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>3</sup> Vehicle costs represent the total cost of business and private use of vehicles provided to executives as part of their remuneration.

<sup>4</sup> Other benefits includes all forms of employment allowances, payments in lieu of leave, gifts from suppliers and any other compensation paid and payable.

<sup>5</sup> Other non-cash benefits include movements in provisions for annual leave and long service leave.

**TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**  
**(ABN 89 743 048 843)**

**DIRECTORS DECLARATION**

The directors have determined that Tasmanian Independent Retailers Co-Operative Society Ltd (the co-operative) is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies described in note 1 to the financial statements.

The directors of the co-operative declare that:

1. The financial statements and notes, as set out in the preceding pages are in accordance with the *Co-operatives National Law (Tasmania) Act 2015*:
  - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Co-operatives National Law (Tasmania) Act 2015*; and
  - b. give a true and fair view of the co-operative's financial position as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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.



.....  
Brett MacKay



.....  
Michael Baxter

Dated: 6 March 2019



# CAMERONS

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Corporations Act 2001* and adopted in relation to this audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**GREGORY HARPER**  
**Registered Company Auditor**  
ASIC Registration #: 337294

46 Cameron Street  
Launceston Tas 7250

Dated: 06 March 2019



# CAMERONS

## INDEPENDENT AUDIT REPORT

### TO THE DIRECTORS OF

### TASMANIAN INDEPENDENT RETAILERS CO-OPERATIVE SOCIETY LTD

#### **Scope**

We have audited the attached financial report, being a general purpose financial report of Tasmanian Independent Retailers Co-Operative Society Ltd ("the Co-operative") for the year ended 30 June 2017, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### **The Responsibility of the Directors for the Financial Report**

The Co-operative's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Co-operatives National Law (Tasmania) Act 2015* and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Co-operatives National Law (Tasmania) Act 2015*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### **Auditor's Opinion**

In our opinion, the financial report of Tasmanian Independent Retailers Co-Operative Society Ltd is in accordance with:

- a) the *Co-operatives National Law (Tasmania) Act 2015*, including:
  - i. giving a true and fair view of the Co-operative's financial position as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2; and
  - ii. complying with Accounting Standards in Australia to the extent described in Note 1; and
- b) other mandatory professional reporting requirements to the extent described in Note 1.

---

### **GREGORY HARPER**

Registered Company Auditor  
ASIC Registration #: 337294

46 Cameron Street  
Launceston Tas 7250

Dated: 06 March 2019