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## **Our Operations**







#### **Tasmanian Independent Retailers**

 8 Translink Ave, Western Junction, Australia, Tas 7212

**%** 03 6391 0200

enquiries@tir.com.au

www.tir.com.au

#### **Island Fresh Produce**

 15 Connector Park Dr, Kings Meadows, Australia, TAS 7249

**%** 03 6341 1900

www.tir.com.au/ifp/

#### Statewide Independent Wholesalers

 8 Translink Ave, Western Junction, Australia, Tas 7212

**%** 03 6391 0800

www.siw.com.au

Tasmanian Independent Retailers (TIR) is a trading Co-Operative that was formed in 1956 to support and represent the interests of independent grocery retailers and members. Today, TIR is one of Tasmania's largest Co-Operatives with its membership and shareholding limited to the independent retailers that trade under the IGA brand in Tasmania, for which there are currently 85 outlets as at 30 June 2024.

TIR's primary role is to facilitate and support members & IGA Retailers in the key areas or advocacy, merchandising, marketing & promotions, and member's services.

TIR is a co-owner in SIW (40%) and also owns and operates IFP (100%) and IGA Brighton (100%). TIR's Head Office is located at Western Junction in Tasmania.

TIR acquired the business of Launceston Market Supplies (LMS) in 1995 and later rebranded it to Island Fresh Produce (IFP).

Island Fresh Produce is one of Tasmania's leading fruit and vegetable distribution wholesalers, supplying both independent retailers and hospitality customers across Tasmania.

As a Tasmanian business, IFP supports local growers by focusing on sourcing fresh fruit and vegetables from Tasmanian farmers where possible and sources additional produce from markets all across Australia. IFP is also focused on providing both members and customers with quality produce at competitive prices, coupled with a regular delivery logistic statewide.

IFP services its members and customer network from its composite DC facility in Launceston.

SIW is a joint venture arrangement between TIR and Woolworths Ltd.

SIW's initial equity partners when it was first formed in 1980 were TIR and Roelf Vos Supermarkets, an independent MSO, with the latter being acquired by Woolworths Ltd in 1982.

SIW's primary role is the procurement, warehousing and distribution of selected grocery products to both independent and Woolworths Stores across Tasmania. SIW operates independent of its two equity partners and shareholders and is supported by its own executive and management teams. SIW operates from its fully composite Regional Distribution Centre at Western Junction.







### **Member Network**

TIR's Member Network consist of 85 IGA retail outlets across Tasmania trading under the IGA or IGA X-press banners. Most of the network is represented by single store operators (SSO) with 7 multi-store operators (MSO) representing 24 of the 85 IGA retail outlets.



#### **Our Vision**

To be a united force in Tasmanian food and grocery retailing, with a thriving and engaged network of independently-owned stores supported by industry-leading practices that make them the shopping destination of choice within the communities they operate.



#### **Our Purpose**

We exist to support our members/store owners (who are also our customers) to achieve success, profitability and sustained growth, using the strength of our co-operative.



#### **Our Values**

- ✓ We are here to support our members
- ✓ We are open and honest
- ✓ We grow and innovate
- ✓ We care and listen
- ✓ We are stronger together by working together



- 29 stores in the 63 area code catchment (North/North East/Upper East Coast)
- **31 stores** in the 62 area code catchment (South)
- **25 stores** in the 64 area code catchment (North West/West Coast)



Stores are located in rural areas



Stores are located in metro areas

### Our location spread of our 85 member stores



**7 Multi-store Operators** (MSO) representing **24** of **85 IGA stores** 



TIR Group Network comprises of **85 IGA members** and **75 non-member** independent retailers



### FINANCIAL HIGHLIGHTS FY2024

		(CDOWTH)
	<b>PURCHASES</b>	(GKOWIII)
-ID GROUP	PURCIN	

+	3.11%
+	1.36%
	1.95%
+	V.5/(8/2)/60
+	2.93%
+	4.46%
+	3.67%
	+ + + +

### TIR GROUP REVENUE

TIK GROOT NET		9.69%
Supplier Terms Revenue	+	9.0370
Supplier Terrison	30	16.10%
Supplier Case Allowance		10.107
Supplier case.	1400	2.36%
Sale of Goods & Services		2.50

### TIR GROUP COSTS

Case Subsidies and Member Price Support	+ 17.03%
Advertising & Marketing Expenses	+ 4.90%

### TIR MEMBER (IGA) BENEFITS

Member Rebates (PIP & EDF)	+ 9.77%
PIP	+ 10.75%
EDF allocated	+ 3.77%

### \*\*\*\*\*\*

### **TIR GROUP PROFIT**

Profit before tax and member distributions

- 7.72%

Excluding fair value movements

+ 3.84%

Excluding fair value movements and SIW net profit

+ 8.42%

\*\*\*\*\*\*

#### **FY25 Outlook**

Consumers are continuing to seek value due to ongoing cost-of-living pressures. A strong promotional program and range of everyday value products will be pivotal to our ongoing success and meeting our customers needs.

TIR promotional sales in dollars via SIW are up 7.70% for the July – October period or 4.44% in volume. Overall grocery sales in dollars (excluding cigarettes and tobacco) via SIW are up 3.41% or 0.76% in volume. Cigarette sales in dollars has remained flat, with a continued decline in volume as has been experienced across this market.



SIW Group \$ Total Purchases

+1.69%

**Growth Trend** 



SIW Group \$ Grocery Purchases

+3.41%

**Growth Trend** 



SIW Group \$ Cigarettes Purchases

+0.06%

**Growth Trend** 



IFP Product Sales (volume in kgs)

+12.75%

**Growth Trend** 

#### **Summary of acronyms**

**SIW - Statewide Independent Wholesalers Ltd** 

**TIR -** Tasmanian Independent Retailers Co-Operative Society Ltd

**IFP** - Island Fresh Produce

**DSD** - Direct to Store Distribution Network

**Members -** Shareholders of TIR / IGA Tas Retailers

FY - Financial Year

**FY23 –** Financial Year 2023 (53-week trading year)

**FY24 –** Financial Year 2024 (52-week trading year)

**Group Purchases –** Members & Other Customer Purchases

**Group Trading Results –** Trading results generated via all related business activities

**OEP –** Operational Excellence Program

**Total Customer - Member & Other Customers** 

**Co-Operative –** Tasmanian Independent Retailers Co-Operative Society Ltd

**EDF** – Equipment Development Fund

**PIP –** Purchase Incentive Payments

**MSO** – Multiple Store Owner

**FSA** – Food Safety Audit



# **Chairman's Report**

It is with great pleasure that I present my chairman's report for the period ended 30 June 2024. I want to begin by congratulating all members for their collective achievements during this period. It is very pleasing to report that the group has delivered another impressive year, representing continued progress on our results in the prior three years.

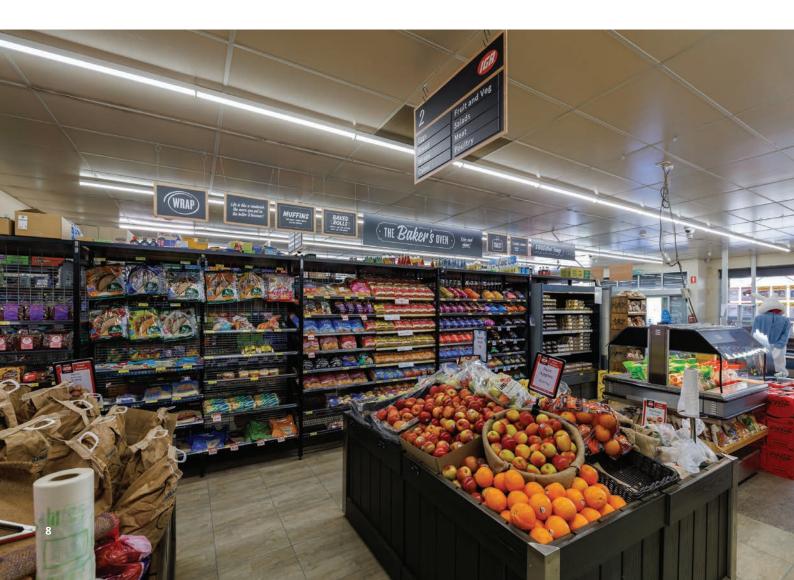
Another year has passed and our members and retailers continue to grow within a challenging trading environment. In the face of economic headwinds, including rising inflation and increasing interest rates, growth continued across all of our commercial channels, including SIW, IFP & Charge Through.

On the back of this growth, I am pleased to report that our members received a 10.75% increase in PIP distributions for FY2024 totalling \$7.734 million. This support is in addition to the separate EDF allocations for FY2024, with total allocations amounting to \$1.180 million.

Both rebate programs exemplify TIR's commitment to returning funds to member stores who support all aspects of our Co-operative and I commend and congratulate all members for the rebates received during FY2024.

I would also like to thank and congratulate the TIR & IFP teams for their continued support of our members that ensures our members achieve successful outcomes within their respective businesses.

In November 2023, TIR welcomed Drew Freeman to role of Group CEO. Drew's supermarket supply chain and





independent retailing experience puts him in good stead to lead the TIR Co-op into it's next phase of growth, and in conjunction with the board the senior leadership team have been able to identify strategic opportunities across the group, which has developed into the 5-year strategic plan.

This strategic plan that has been ratified by the board and endorsed by our members, outlines the key pillars of the business and the initiatives required to deliver a plan of growth and innovation across the next 5-years and beyond.

In his first year, Drew and the team have also been able to identify the key changes required to meet the strategy and through a management restructure has built a senior leadership team capable of executing the business plan as well as foster a culture of customer service and continual improvement. Drew and the team has the support of the Board to ensure they deliver on these KPI's and we ask our members for their continued support also, as we are stronger together by working together.

The board was again encouraged by the results from our member satisfaction survey held in March 2024. Member satisfaction levels for TIR and IFP continue to be positive overall.

Feedback on immediate concerns are mostly related to current supply challenges, rising cost of doing business, price increases and margin squeeze.

"I would also like to thank and congratulate the TIR & *IFP teams for their continued* support of our members that ensures our members achieve successful outcomes within their respective businesses."

> Michael Baxter. Chairman of the Board

IFP Feedback on immediate concerns heavily focused on quality issues, pricing, credits and delivery concerns. Despite the levels of feedback on quality and price issues, IFP had a good satisfaction rating.

Feedback on Member services jumped from 31% (2023) to 56%. Competitive Price Programs received a large portion of feedback with some members concerned with LPE customer confusion and low margin. Member feedback suggested to simplify the value message in store with too many price programs.

Feedback on TIR Marketing Results

suggested many were very satisfied with the overall marketing program although some members would like to see a more local focus.

All feedback from members was captured within the strategy build and reflected in the key initiatives within the 5-year plan, with work already commenced on addressing these opportunities.

As we look to another year, it is with great anticipation that we will see the completion of the new Brighton IGA Supermarket, which is set to open just prior to Christmas. The new store which is part of our growth strategy, will no doubt benefit the Brighton community, but will also benefit all of our members, through increased market share, shared learnings and revenue distribution. I look forward to taking our members through the new store in November 2024.

Finally, to my fellow directors on the board of TIR, thank you for your support during the past 12-months, and the sacrifice you have made in fulfilling your duties as Directors of our Co-operative.

Regards & Good Trading

#### **Michael Baxter** Chairman of the Board









## **CEO Report**

I am delighted to present my CEO Report for the trading period spanning July 2023 to June 2024.

*Firstly, I would like to extend my* appreciation to all TIR members and independent retailers for warmly welcoming me into the TIR Family. It is a privilege to serve as the TIR Co-operative CEO and through member engagement and store visits since my commencement, I can clearly see that we have a strong network of independent retailers right across our great state, who go above and beyond every day to serve the communities that they operate in.

#### **Trading Result & Environment**

The trading environment during the fiscal year remained solid for our members, with groups sales of \$458 million (including share of SIW purchases) being \$13 million above the prior year or \$21 million on a like-for-like basis (52 weeks). This result was assisted by inflation. SIW carton volume remained consistent with prior years overall, with an increase in grocery volume (ambient and temp control) and a reduction in cigarettes.

Economic conditions certainly took its toll on household budgets throughout the year, with high inflation and interest rate increases resulting in a shift in spending habits. This shift included consumers becoming even more value & budget conscious resulting in an uptick in promotional sales across the group.

Having identified this shift in consumer spending habits, TIR placed additional focus on marketing and promotional initiatives including enhancing its catalogue format as well as increasing the level of half price specials.

While the TIR group net profit of \$2.634 million was below the prior year result of \$4.011 million, members benefited from an increase in rebates totaling \$8.883 million which was \$763k higher than the prior year resulting from higher member eligible purchases through SIW & supplier charge through and additional rebate distribution.

As a subset of the overall TIR results, member purchases for FY2024 increased by 6.03% to \$401 million. This success was reflected across our key purchasing sources, SIW Grocery (+6.71%), SIW Cigarettes (+5.60%), and TIR Charge Through (+4.43%) on a normalised 52 week period including IGA Brighton.

IFP reported growth (+10.72%) in member \$ sales, mainly due to the further reduction of wholesale pricing to member stores.

IFP's focus remains as delivering better value to our members through the best possible price and statewide delivery while focusing on supporting local Tasmanian growers and producers wherever possible.

Under the leadership of Glenn Sullivan & Josh Creswell, IFP has continued to achieve positive results through both repositioning and restructuring the business over the last 3-years. This has resulted in increased member satisfaction and support, as evidenced by various surveys and trading/volume results.

I'm pleased to report a 10.75% increase in the PIP distributions for FY2024, totaling \$7.734 million, compared to \$6.983 million in the prior financial year. This support is in addition to the separate EDF allocations for FY2024, with total allocations amounting to \$1.180m.

Both rebate programs highlight TIR's commitment to returning funds to member stores who support the group commercial channels including SIW, IFP & supplier charge through.

I thank our members who have showed support and loyalty to the group and have subsequently received rebates during FY2024. The Board has committed to maintaining the same base rebatable purchase percentage for FY2025.

Despite these positive outcomes, the same challenges we faced in FY24 will remain for FY25, driven by the ongoing, and rising cost of living for Australian families, high inflation, and high interest rates.

Given these headwinds, it is crucial that our members & retailers keep the focus on providing the best possible shopping experience through a comprehensive product range, exceptional service, and competitive pricing.

The appointment of Josie Cattermoul as GM of Merchandise & Marketing has allowed



further review and enhancement of the product range available to our stores, as well as ensuring that our everyday price and value proposition remain relevant and competitive in a challenging market.

Josie and the merchandise team will remain focused on delivering the best range at the best possible price, backed with appropriate commercial terms for our members as we move forward with our 5-year Strategic Plan.

Another key call out is the continued increase in overall TIR Group member purchases over the past six years. This has grown from a base of \$267 million in FY2019 to \$401 million in FY2024, representing on average growth rate of 8.31% PA.

This long-term result highlights the strength of our Co-Operative, demonstrating ongoing growth within our network of independent retailers. Additionally, higher \$ purchases lead to increased rebates for members, both through organic growth in purchases and additional rebates that TIR can provide based on its improved trading terms.

Notably, increased volume through SIW results in improved costs and efficiencies, which in turn benefits all retailers and with higher volume being essential to the group, failing to maintain or grow volume through SIW would result in a higher cost-to-serve for stores.

SIW achieved strong results for FY2024, with underlying revenue of \$1.480 billion and a net profit after tax of \$2.378 million. TIR's share of distribution to Joint Venture partners totalled \$0.583m which was passed on to members via purchase incentive payments.

SIW has continued to support its customers with a reliable, low-cost-toserve logistics model and distribution network. SIW's ongoing enhancements in systems and processes continued with the implementation of "Blue Yonder", the new Warehouse Management System (WMS) which went live in November of last year, with the new Pronto ERP, expected to be operational in June 2025.

I extend my personal thanks and appreciation to Paul Connolly and the SIW team for their continued support, particularly for independent retailers.

Member engagement during FY2024 included the Metcash National Conference & Expo in July 2023, the Awards of Excellence Gala Dinner in Hobart in February 2024, and the regional channel meetings in June 2024. These events received strong support from our stores and suppliers, with tremendous feedback received from members resulting from the 5-year strategy presentations to members.

TIR remains committed to supporting the member network through engagement and professional development in FY2025, including a planned interstate study tour in 2025. I encourage all of you to participate in these events, as they create value by facilitating the exchange of ideas and the building of strong relationships within the network - 'We're stronger together, by working together'.

I would also like to thank our hard working and dedicated team members within TIR, IFP, and Brighton IGA, for their tremendous efforts and dedication to the TIR network throughout the last year. These team members go above and beyond to assist members, retailers and stores every day.

Overall, our Co-operative remains strong with a vast group of successful members & retailers, backed by a dedicated team of TIR & IFP employees who underpin TIR's support programs and the IGA brand in Tasmania. However, to remain successful, TIR requires a fit-for-purpose

Strategic plan that will deliver sustainable growth for the Co-op and it's members. As such a 5-year strategic plan has been developed and ratified by the board of directors and ultimately accepted by our members. This plan lays out the road map for the strategic direction of the coop, including the key pillars of:

- Growing the Network and Market Share
- · Adding more value back to Members
- · Connected Stores
- Ranging & Promotions
- · Retail Excellence
- · People & Culture

Supporting these pillars, are an array of initiatives that will need to be considered and delivered in the coming years to ensure we meet our objectives of the co-op and generate success across all of these pillars. These initiatives include but are not limited to:

- Driving more customers through our doors
- Leveraging our point of difference to the majors
- Stronger promotions & core ranges
- Redefining our value proposition to the consumer
- Developing new store opportunities
- · Identifying Network Bolt-ons
- Modern & Consistent Technology and **POS Solutions**
- · Develop a fit-for-purpose scan data framework
- · Redefined Channel Standards
- Innovation

Myself and the TIR team will be focused on delivering these and many more initiatives that underpin our strategic plan and we will be looking to our members for alignment and support.

By working together, we are stronger together and by leveraging our strengths, we will continue to grow.

Best regards to all our members and all the best for a successful FY25.

#### **Drew Freeman**

CEO – Tasmanian Independent Retailers Co-Operative Society LTD

## **Our People**

#### TIR Executive



**Drew Freeman** CEO Tasmanian Independent Retailers

Drew was appointed as CEO of TIR in November 2023 and is highly experienced across various industry sectors, including FMCG Retail, Supply Chain, Logistics, Transport and Agri Business. Previously Drew was General Manager of Statewide Independent Wholesalers Limited (SIW). With a Supermarket background, Drew has over 25-years' experience in FMCG & Supply Chain sectors, including Supermarket & Hardware retail with qualifications including a Graduate Diploma in Business (Management). Drew was also elected as a Director of Statewide Independent Wholesalers Limited (SIW) in 2023.



Glenn Sullivan General Manager Operations

Glenn joined TIR/IFP in March 2021 as the Head of Island Fresh Produce. Glenn brings with him over 30 years in the retail sector with 10 of those years in his own business. Since selling the business Glenn has specialised in high level change Management across multiple industries including food, fuel, and convenience and QSR.



**Iosh Cresswell** Head of Island Fresh Produce

Josh began his career with Island Fresh Produce (IFP) in 2012 as a Storeman and Relief Delivery Driver. Over the past 12 years, he has held several key roles within the organisation, culminating in his appointment as Head of IFP in December 2023. Prior to joining IFP, Josh held leadership roles with Bunnings and brings over 15 years of experience spanning Transport and Logistics, Retail Merchandising and Supply Chain.



Mitchell Kay Head of Finance

Mitchell joined TIR as the financial accountant in November 2021. He holds a Bachelor of Business (BBus) and is a member of the Institute of Chartered Accountants Australia and New Zealand (CA ANZ). Mitchell is in the 17th year of his accounting career, with experience in a diverse range of industry segments including fast-moving consumer goods, food production, retail, and agribusiness. He has a history of working in both public practice and ASX-listed corporate environments.



**Nicole McCullagh** General Manager People, Culture & Safety

Nicole joined the TIR team, as Head of People & Culture, in 2019. Nicole holds a Bachelor of Business (BBus) and is a member of the Australian HR Institute. Nicole has 20 plus years industry experience within Human Resource, Strategy, Merger & Acquisitions, and Sales across a variety of industries most recently in automotive and real estate prior to joining TIR. Nicole provides enthusiasm to TIR projects and seeks to provide strength and direction to the people and culture elements of the organisation.



**Travis Allen** Head of Marketing

Travis Joined TIW/TIR in 1998 as an advertising designer. Previous to this he spent 4 years working for AMCOR Product Packaging as a graphic designer. In 2002 he was promoted to Advertising Manager, before being appointed Head of Marketing in 2019. Core responsibilities include traditional & digital marketing placements, maintaining alignment with the national IGA (Metcash) marketing calendar, IGA's major consumer competition, TIR member & IGA customer websites and IGA's community partnerships & engagement programs.

#### TIR Board of Directors



**Josie Cattermoul** General Manager Merchandise & Marketing

Josie joined TIR in February 2024, bringing with her a distinguished career in the merchandise and retail sectors. With over two decades of experience across the UK, New Zealand, and Australia, she has a diverse background that spans corporate grocery, hardware, and specialty retail. Prior to her current role, Josie focused on independent convenience and B2B for Spar in the UK, where she developed valuable insights that she now brings to our member network. Her fresh perspectives are instrumental in growing market share and shaping the future of the organisation. Josie holds a Bachelor of Science degree (Hons) in French and Geography, along with a Diploma in Marketing.



**Stuart Robins** General Manager Corporate Services

Stuart was appointed as General Manager of Corporate Services in March 2024 and is experienced in various industry sectors including Logistics, IT, Replenishment and Commercial. Stuart previously spent 31 years working for Statewide Independent Wholesalers Limited in various roles including, Financial Accountant, Company Secretary, Logistics Manager, Commercial Manager and Project Manager and has a Bachelor of Business Degree from the University of Tasmania.



Tim Bednarz Head of Information and Retail Technology

Tim joined TIR as IT & Retail Technology Specialist in 2022. He holds a Diploma of Information Technology (Dip. IT) and a Bachelor of Information Technology (BInfoTech-BusAnlys) and is a certified professional member of the Australian Computer Society. Tim has over 25 years' experience as an IT professional implementing, maintaining and improving a wide range of IT systems in banking, retail, education, manufacturing and mining sectors and has held several senior positions leading teams within the APAC region.



**Michael Baxter** Chairman

Michael Baxter joined the board as a member director in November 2005 and was appointed as Chairman in November 2017. Experience: Mr. Baxter is the former owner operator of IGA Westbury and IGA Shearwater. He is also a shareholder of DRB Retail Pty Ltd, operator of IGA Prospect.



**Brett MacKay** TIR Board Member Director

Brett MacKav joined the board as a member director in November 2002. Experience: Mr MacKay is existing operator of IGA X-press Lindisfarne.



John Hosken TIR Board Member Director

John Hosken joined the board as a member director in November 2023. Experience: Mr Hosken is existing operator of IGA X-press Bridport.



**Mark Colson** TIR Board Member Director

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.



**Kemuel Wood** TIR Board Member Director

Kemuel Wood joined the board as a member director in November 2021. Experience: Mr Wood is a director of Casmek Investments Pty Ltd, existing operator of Bay of Fires IGA St Helens.









# RECOGNISING RETAIL EXCELLENCE ACROSS TASMANIA

The 2024 IGA Tasmania Awards of Excellence Dinner was held at the Hotel Grand Chancellor in Hobart on 29th of February and attended by over 250 guests from IGA Tasmania, Tasmanian Independent Retailers (TIR), Island Fresh Produce and supplier partners.

The Awards recognise retail excellence across IGA stores and the individuals, teams and suppliers that make these businesses such an important part of our local communities.

The MC of this year's awards was popular Tasmanian actor John X, who put his extensive experience across stage and screen to good use, keeping the audience in fits of laughter as he introduced the award finalists and winners.

The coveted Store of the Year Award across small, medium and large format stores was awarded to Baxters IGA, Hill Street Grocer IGA Sandy Bay, and Bay of Fires IGA, respectively.

IGA suppliers were also recognised with a range of awards, including the Supplier of the Year, which was presented to Coca-Cola Europacific Partners.

The prestigious Sam Richardson Perpetual Award, established to recognise the highest commitment to the independent grocery sector, including community and customers, was awarded to Josi Cowen of IGA Xpress Seabreeze Nubeena.

"The Awards of Excellence are an important part of our business. They allow us to reflect on everything we have achieved in the last twelve months and celebrate those teams and individuals who have made a significant contribution to our success,"

Drew Freeman, Chief Executive Officer Tasmanian Independent Retailers

Josi was recognised for her outstanding work operating and developing the Ouse IGA and the IGA Xpress Seabreeze Nubeena and for her commitment to the community, particularly during the 2013 Dunalley Bush Fires.

She and her husband Graham kept the Nubeena store open in the most trying of circumstances to ensure the local community had access to essential grocery supplies.

IGA is passionate about supporting and developing the leaders of tomorrow and the Rising Star Award recognises team members who display outstanding potential and dedication to their store and the IGA business.

This year's Rising Star Award recipient was Thomas Saunders of Baxter's IGA, who started his retail career at Baxter's IGA Prospect in 2016. Thomas quickly grew his career within the Baxter's network, transitioning to a management role first at Baxter's IGA Snug and then moving to Baxter's IGA Sandy Bay, where he assisted with the establishment of the all-new store in 2022.

In recognition of IGA's commitment to being at the forefront of the retail industry, the Transformation and Innovation Award is given to a store that



IGA Strahan was this year's well-deserved winner, who has invested heavily in all areas of its store, improving its overall presentation and customer offering.

The TIR Values Award recognises unique individuals who consistently demonstrate the organisation's values of supporting members, being open and honest, growing and innovating, and caring and listening.

This year's award recipient was Todd Johnston. Todd joined the TIR business in 2012 as a retail consultant after a long career in the supermarket industry. He has developed a strong acumen for independent retailing and is always looking for opportunities to support and grow our member network. His commitment to the IGA brand, his work for our member stores, and his commitment in upholding our values is why he is the inaugural winner of the TIR Employee values award.

See page 75 of this report for a complete list of winners.

Large Format Store of the Year 2024 IGA Bay of Fires (St Helens)



**Transformation & Innovation Award** Patrick's IGA Strahan



**Grocery Supplier of the Year** Coca-Cola Europacific Partners

**Medium Format Store of the Year 2024** Hill Street Grocer IGA Sandy Bay



Small Format Store of the Year 2024 Baxter's IGA Xpress Sandy Bay



Medium Grocery & GM Department of the Year **IGA Bridport** 

# The Sam Richardson Perpetual Award

Josi Cowen from IGA Xpress Seabreeze Nubeena

Josi was born in Tasmania and brought up in the Huon Valley. She worked at the local supermarket in Huonville after school and, as a keen basketball player, played basketball with Kingston and as a state player.

After finishing high school, she commenced at Drysdale Hospitality College and began a chef apprenticeship at the Ball & Chain Restaurant in Hobart.

She completed her apprenticeship at Prosser's on the Beach at Sandy Bay, where she continued to work after qualifying as a chef.

Later, she moved to Melbourne to play professional basketball with the Melbourne Tigers, whilst also working as a chef at the Italy One restaurant, then becoming Souschef at the Sheraton Towers.

After retiring from basketball, Josi moved back to Tasmania to lease her parent's Roadhouse at Ouse, and continues to do so today, and has employed many of the locals over the years.

In 2007, when Josi's parents decided to retire and sell the Ouse IGA Supermarket, Josi and her husband Graham decided to purchase the store, which they ran together, with Josi dividing her time between the Roadhouse and the Supermarket.

In 2009, as an investment, Graham & Josi purchased the Seachange shopping complex, at Nubeena, comprising a Supermarket, a hardware store and a bottle shop.

In 2010, Graham and Josi took over the Supermarket, and after a complete renovation, rebranded the store as IGA Xpress Seabreeze Nubeena.

In January 2013, Graham was working in the store when power to the whole of the peninsular went off due to the Dunalley Bush Fires. Kilometres of burnt out power poles meant that power wouldn't be returned any time soon.

With the fire progressing steadily towards Nubeena, and the only road access cut off, many tourists abandoned their vehicles and were evacuated at the wharf, by hastily arranged ferries.













Much of the perishables that could be saved from the Seabreeze IGA were donated to the SES to feed people who could not be evacuated and were being given emergency shelter at the Tasman Civic Centre.

Josi hastily arranged for her brother Stuart to launch their father's boat and travel to the peninsular from Margate with three generators and drums of fuel, to power several fridges full of stock, which were currently being kept cool with bags of melting ice.



With the generators being constantly refuelled every few hours over the next few days, supplies, including newspapers were flown in by seaplane. During this time, IGA Xpress Seabreeze remained open, with customers allowed in, a few at a time, guided by staff with torches, until power was temporarily returned to the town by the use of industrial generators.

In 2022 Graham & Josi sold the IGA supermarket at Ouse, to allow Josi to invest most of her efforts at Nubeena, where she has also continued investing in the business, progressively replacing plant and equipment, including rebuilding a larger walk-in cool room and freezer room, together with new meat and dairy cabinets and several state-ofthe-art upright freezer cabinets, allowing for higher stock levels as the business continues to grow.

In her spare time, Josi likes nothing better than catching a crayfish or two and supporting her favourite Jack Jumpers basketball team.





8.29% Sales incre





ANNETTE KARANTONI – Chair, Statewide Independent Wholesalers (SIW)

# **SIW Trading Overview** and Financial Report

It gives me great pleasure to present the company's Annual Report for SIW for the fiscal year ending June 30th 2024 and my first as Chairman of SIW. The past year has been a year of positive outcomes with strong performance in safety, operations and financials.

Throughout the year, we have achieved significant milestones. Our after-tax profit stands at \$2.38 million. Revenue continued to grow with a normalised growth adjusted to remove the impact of the 53rd week in F24 of 6.29% over the prior financial year. These financial achievements are in line with our expectations and demonstrate the ability to navigate challenges faced throughout the year.

One of the key initiatives undertaken during the year was the successful replacement of our core technology with the new Warehouse Management System (WMS). This upgrade enhances our long term operational stability and enables us to better meet the evolving needs of our customers. Although significant change for operational teams, the business has started to see strong performance post the go live and is well settled in time for the next big technology change with the upcoming replacement of the ERP.

In line with our ambition to have the strongest safety and team experience, we also finalised and awarded the tender for our core Material Handling Equipment. This will ensure we have the latest technology and resources to support our operation and our team for the next phase of growth. We also deployed our WeCare program, building capability in our leaders to support team members experiencing Mental health issues.

During the year we welcomed Drew Freeman (TIR), Gavin Skews (Woolworths), and Craig Adams (Woolworths) to our Board, and we look forward to their valuable contributions throughout the year. Their expertise and insights will undoubtedly strengthen our leadership and guide the company forward. During the transition the Board actively engaged with our retail businesses to deepen their knowledge of the business and we thank the TIR retail leaders for their commitment to continuing to share insights with the Board.

Our focus for the year ahead is threefold. Firstly, we will prioritise delivering exceptional service to our retail customers, ensuring their satisfaction and loyalty. Secondly, we will navigate the ERP change with a focus on stability and resilience and thirdly, we will capitalise on the benefits of the previous WMS change, which is already showing promising results.

In conclusion, the past year has been a testament to the dedication and hard work of our entire team. As we embark on the year ahead, we are confident that our commitment to customer satisfaction, and operational excellence will deliver well for SIW through FY25 and take this opportunity to thank all of the SIW team for their fantastic efforts to support the business and our customers.

# **\$1.351 billion** FY23



# **\$1.462** billion FY24

DETAILS	FY24 53 weeks	FY23 52 weeks	\$ Variance	% Variance
Sales	\$1,462,485,693	\$1,350,560,862	\$111,924,831	8.29%
Cost of Sales	(\$1,393,118,795)	(\$1,283,670,800)	(\$109,447,995)	8.53%
Other Revenue	\$14,952,068	\$13,195,245	\$1,756,823	13.31%
Distribution Expenses	(\$70,775,176)	(\$64,396,676)	(\$6,378,500)	9.91%
Occupancy Costs	(\$834,328)	(\$785,515)	(\$48,813)	6.21%
Administration Expenses	(\$5,044,479)	(\$4,766,343)	(\$278,136)	5.84%
Financial Costs	(\$6,730,884)	(\$6,924,483)	\$193,599	(2.80%)
Financial Income	\$2,463,023	\$1,689,100	\$773,923	45.82%
Net Profit - Pre Tax	\$3,397,122	\$4,901,390	(\$1,504,268)	(30.69%)
Income Tax Expense	(\$1,019,136)	(\$1,470,417)	\$451,281	(30.69%)
Net Profit - Post tax	\$2,377,986	\$3,430,973	(\$1,052,987)	(30.69%)





3.30%



Normalised product sales



JOSH CRESSWELL - Head of Island Fresh Produce

## **Island Fresh Produce Annual Report**

As I reflect on the past year at Island Fresh Produce (IFP), I want to share some of the key developments and challenges we have faced. Ten months ago, I stepped into the role of Head of Island Fresh after spending 12 years in various roles within the organisation. This experience has given me a deep understanding of our operations and a strong commitment to our purpose: delivering top-quality fresh produce to the IGA network across Tasmania.

I have been fortunate enough to have worked alongside a team that is not only dedicated but also passionate about what we do. This collective experience has been crucial as we navigate the complexities of our industry and prepare for a new strategic outlook under TIR's new leadership.

Our leadership group and dedicated team have been instrumental in aligning our efforts with TIR's strategic goals. We are focused more than ever on tailoring our services to meet the specific needs of our member stores, providing reliable support in a challenging environment. We are committed to continue being a market disruptor, delivering quality and

more competitive pricing whilst expanding our product range. With the support of our cooperative, we can achieve this by working together, underpinning TIR's overall strategy: We are stronger together, by working together.

Finally, whilst Glenn Sullivan is still within our business (TIR), I want to take a moment to express our appreciation for his contributions during the 2.5 years he spent as Head of Island Fresh. Glenn's leadership and mentorship have been invaluable, and IFP would not be where it is today without his guidance, expertise and support. His influence has left a lasting impact on our team and the direction of our business.



#### **Business Diversification and Cold Chain Improvements**

In an effort to diversify our product offerings, we have made a significant investment in our logistics capabilities by purchasing a new truck with a solidsided body. This upgrade serves as a proof of concept to enhance our cold chain capabilities. This approach also aligns with our strategy to broaden the range of products we deliver, better meeting customer needs, fractionalising operational costs, and ultimately lowering overall pricing. The possibilities for growth in this space are both exciting and endless. Upcoming products include ready-made meals from Fox's Den and Aston's Gourmet, Tom's Confectionery, Hall's soft drinks, and a range of antipasto from Ausfresh.

#### **Market Outlook**

Fruit production nationally is expected to remain high, but regions like northwest Tasmania and Western Australia may see lower output due to drier conditions. The vegetable sector is forecasted to see a slight increase in production due to favourable conditions and lower input costs. Foodservice demand is expected to decline due to ongoing cost-of-living pressures, likely leading to an increase in overall retail spending.

Looking ahead, domestic horticultural prices are forecast to decline in 2024-25, with the vegetable consumer price index (CPI) expected to drop while the fruit CPI is projected to remain steady. Higher-than-average production volumes primarily drive this decline in prices. Lower prices in the coming months may encourage more domestic buying, but the overall impact of these price changes will need to be closely monitored. Recent government-mandated changes aim to ensure growers receive fairer pricing for their produce.

#### Import Pathways (Biosecurity)

Support for irradiation (Steritech) has waned recently due to cost-of-living pressures. However, recent changes by biosecurity authorities may indicate a shift in the industry. South Australia, Tasmania, and Western Australia are updating their import conditions to no longer accept methyl bromide fumigation as an end-point treatment for mangoes and plums from Queensland fruit fly (QFF) established areas (NSW, NT, QLD, VIC). As a result, Victoria will cease certifying these commodities under ICA04 for domestic trade. These changes, prompted by recent QFF interceptions in mangoes and the ineffectiveness of methyl bromide for plums and mangoes, took effect:

21 February 2024 Mangoes:

Plums: 22 March 2024

While this transition may be challenging initially, it could signal the beginning of broader efforts to reduce fruit fly risks.









\$12.209m Net profit before member rebates and tax

MITCHELL KAY – Head of Finance, Tasmanian Independent Retailser (TIR)

## **Group Financial Performance**

The Co-Operative reported a net profit of \$12.209m before member rebates and tax. While this is a \$1.021m reduction on the prior year, last year's profit included an increase in the fair value of our investment property (St Helens Central) of \$1.280m. A reduction of \$0.187m was booked in FY24. *The trading profit before* member rebates and tax prior to changes in fair value of investments totalled \$12.186m. an increase of \$0.451m or 3.84% on FY23. As FY23 was a 53-week trading period, and FY24 a 52-week period, this represents a normalised increase of 5.84%. A solid result and above inflation of 3.80%.

The increase in trading profit enabled TIR to increase the additional member purchase incentive payment (PIP) from 0.80% in FY23 to 0.90% in FY24. Overall, member PIP of \$7.734m increased by \$0.751m or 10.75% (12.88% when FY23 is normalised to a 52-week period). Member Equipment Development Fund (EDF) allocations of \$1.180m represent a 3.77% increase on FY23 (5.77% normalised).

Sales as reported in the financial statements (which includes IFP, IGA Brighton, and TIR member services but excludes SIW) of \$45.022m are down \$1.086m on FY23. The oneweek variance in trading accounts for \$0.870m. IFP revenue is down due to changes in freight service arrangements. Generally, third party logistics operators are now charging the end user directly





"Promotional sales in dollar value via SIW are up around 18% for the year. In turn, supplier case allowance revenue is up 16.10% (18.33% normalised) which is indicative of the strength and success of our promotional program."





### Normalised increase \$22.175m Normalised increases

for freight legs provided rather than billing IFP and being incorporated in an overall logistics charge. This reduces risk to the Co-Operative and reduces administration costs. Gross profit margin improved due to this, increased margin on IFP sales to non-members, and improved margin on IGA Brighton sales.

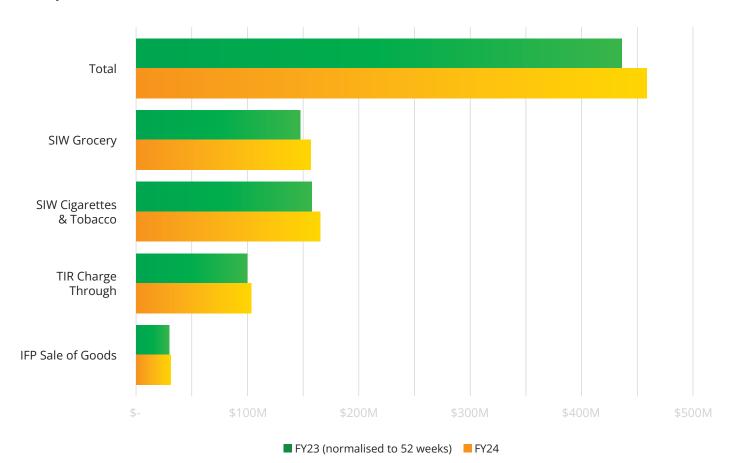
Group purchases (including share of SIW, charge-through, and IFP freight) increased by \$12.865m or 2.89% on the prior financial year. After normalising

FY23 to a 52-week year and removing IFP freight revenue, growth of \$22.175m or 5.09% shows the TIR Group has continued to trade well.

On a like-for-like basis, IFP sale of goods are up 3.30%, TIR charge through is up 3.91%, SIW cigarettes and tobacco are up 4.91%, and SIW grocery is up 6.46%. Normalised volume for FY24 is up slightly on FY23 for all the above-mentioned divisions except cigarettes and tobacco which declined by 2.80%.

Promotional sales in dollar value via SIW are up around 18% for the year. In turn, supplier case allowance revenue is up 16.10% (18.33% normalised) which is indicative of the strength and success of our promotional program. Economic conditions are seeing consumers seek out value, whether that be via promotions or value ranges such as Black and Gold and Community and Co.

#### **Group Purchases Dollar Value**



#### Normalised increase 5.09% in group purchases

The increase in promotional sales is also directly linked to the case subsidies and price support expense increase of 17.03% (19.28% normalised). TIR continues to top-up negotiated supplier promotional programs to enable our member stores to achieve a relevant and competitive price point while maintaining margin at store level.

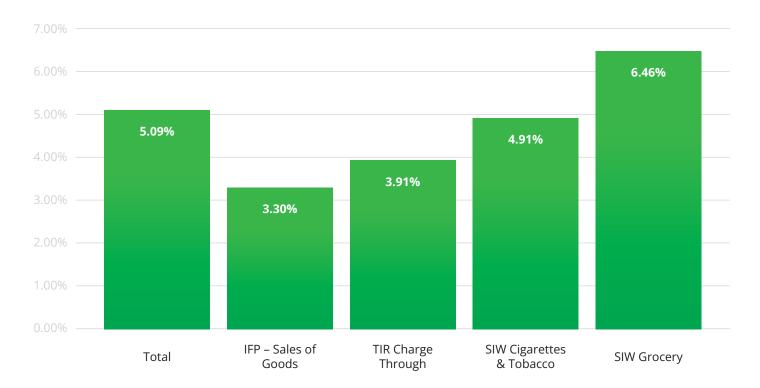
Supplier terms revenue increased by 9.69% (11.80% normalised). Increases in volume and inflation assisted with this growth.

Investment revenue, inclusive of both rent and distributions from our investment portfolio, increased by 6.18% in comparison to FY23. The fair value of our investment property (St Helens Central), as determined by a professional valuer, had a small reduction in value recognised via the profit and loss as opposed to a significant uplift recognised in FY23. This resulted in a \$1.468m variance in comparison to the prior financial year. The reduction in fair value represents less than 3% of the assets value and was impacted by current

market conditions, lease terms, and a vacancy of one of the tenancies at 30 June 2024. The uplift in fair value of financial investments of \$0.210m was materially in-line with the prior year.

While expenditure generally increased at a rate above inflation, it increased at a rate lower than the growth in revenue. Case subsidies and price support are an exception which made up 89% of the increase in expenditure.

#### Group Purchases FY23 - FY24 Growth (\$ Value)\*



<sup>\*</sup>FY23 purchases have been normalised to 52 weeks for comparative purposes.

# 10.75% Increase in member purchase incentive payments



MITCHELL KAY – Head of Finance, Tasmanian Independent Retailser (TIR)

### **Member Rebates**

#### **Purchase Incentive Payment (PIP)**

TIR was pleased that its financial performance once again allowed for an additional rebate payment to be made. The additional rebate of 0.90% of eligible SIW purchases is an increase of 0.10% on the 0.80% paid in FY23. In dollar value, this additional rebate increased by 26.46% to \$1.249m.

Total member PIP payments equated to \$7.734m, an increase of 10.75% on FY23.

The continued support by members of our business channels provides economies of scale and volume for us to negotiate better deals and in turn grow the rebate we pay.

#### **Equipment Development Fund (EDF)**

The Equipment Development Fund allocation of \$1.180m is a 3.77% increase on FY23. \$1.057m of funds were paid out via 223 distributions to members.

EDF continues to accrue at a rate of 0.5% of eligible SIW grocery, TIR charge though, and IFP purchases.

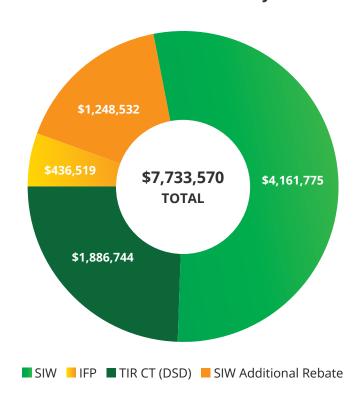
The net EDF expense shown in TIR's financial statements includes both allocations and forfeitures. Forfeitures relate to unused balances accrued on closed accounts where the store is shut down or the seller has chosen not to transfer the remaining balance to the purchaser.



#### **Member Rebatable Purchases**

# \$75,469,776 \$236,021,565 **TOTAL** \$138,725,833 \$21,825,956 ■ SIW ■ IFP ■ TIR CT (DSD)

#### **Member Purchase Incentive Payment**



### **Member Services**

As I look back on the past eight months since taking on the role of General Manager of Operations for IGA Tasmania, I believe we've made substantial progress and strategically positioned ourselves for continued success. Our cooperative, encompassing 85 IGA stores across the state and supported by over 70 dedicated owners, has achieved notable advancements in key areas of our business, directly contributing to our shared objectives and setting the stage for future growth.

Our operations team, which now includes four dedicated Area Managers, has been instrumental in driving improvements across our stores. Under the leadership of Todd Johnston, Matt Wiltshire, and Sam Lanham, we have seen solid improvements in store standards, with positive results in both OEP and FSA audits. These efforts support our broader goal of refining our value proposition and price perception strategy through a customerdriven approach. Their commitment to operational excellence has set a strong foundation aimed at enhancing our effectiveness across the state. We also welcomed Tom McNamara as our newest Area Manager. Tom has brought a wealth of experience and a fresh perspective that will undoubtedly enhance our team's capabilities.

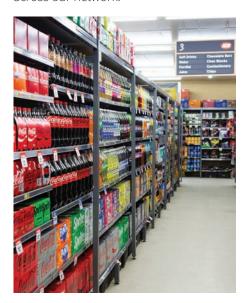
One of the most significant projects we are undertaking in the coming years is the rebranding of over half our stores from IGA Xpress to IGA Local Grocer. This brand change represents a substantial refresh and is expected to bring renewed energy to our stores, offering customers a modernised shopping experience.

Our Store Development team has delivered strong results this year, playing a crucial role in supporting our member network. Wayne Richardson, Paul Barker, and Ethan Hill have been key in advancing important projects, ensuring that our stores remain competitive in terms of retail innovation. Their contributions have improved both the aesthetic and functional aspects of our stores and have reinforced our commitment to offering customers high-quality shopping environments.

Having previously led our Island
Fresh Produce division, I have a keen
understanding of the significant progress
we've achieved under Josh Cresswell
and Beau McGillvery's leadership. The
enhancements in supply and pricing
have been pivotal in reinforcing our
competitive edge and increasing the value
we provide to our members, directly
contributing to the development of our
group's Fresh supply chain strategy.

One of the most significant projects this year has been the development of our new Brighton IGA, set to open in late November. This store, the largest IGA in Tasmania, represents a monumental undertaking for our cooperative and will serve as a great representation for our brand. The new Brighton IGA is more than just a supermarket; it's a platform where we can introduce and test innovative technologies and equipment

that will benefit our member network. The successful build and launch of this store have only been possible thanks to the incredible dedication and hard work of the team behind it. Their efforts have ensured that we are not just opening a new store but creating an opportunity to explore and implement new ideas that can enhance the overall retail experience across our network.



Looking ahead, we will maintain our focus on helping to drive retail excellence, helping our stores meet the high standards our customers expect. The rebranding to IGA Local Grocer is just one part of our broader effort to refine the customer experience, and I am confident that with the capabilities and dedication of our team coupled with our Strategic Plan, we will see these plans realised.

The progress we've made this year reflects the hard work and dedication of our teams. As we move forward, there is a clear path ahead, and I look forward to continuing this work and achieving our collective goals.



# Merchandising and Supplier Engagement

What a difference a year can make. In 2023, we witnessed significant changes in discretionary spending due to interest rate hikes, prompting our customers to seek out better deals and greater value for their money.

While top-tier brands have continued to perform well, those with weaker customer loyalty have experienced declining sales. Exclusive Brands such as Black and Gold and Comm Co have stood out as customers move away from premium options. Our Merchandise and Marketing team are dedicated to unlocking value across all areas, focusing on comprehensive cost reduction, revenue growth, and improved promotional ROI, all in line with our 5-year strategic plan.

Although our warehouse sales remained positive, we observed a slowdown in the latter half of the year, indicating potential challenges for the future. Nonetheless, service levels have stabilised, and we are actively collaborating with the wider SIW team to maximise efficiencies across the group whilst minimising any cost impact through product churn.

As we look ahead to the next 12 months, we anticipate similar trends, with customers continuing to focus on value and stretching their budgets further. In response, our team will maintain a strong emphasis on cost management to drive operational efficiencies, enhance promotional strategies, and evolve our product offerings to increase basket size and shopper frequency.

We are committed to adapting to our retailers' needs by further enhancing our range of exclusive brands and by introducing innovative products, particularly within requested areas by the membership such as pocket money toys, stationery, housewares, and confectionery.

As we move into the next 12 months, with our revised team structure will focus on executing our 5-year strategic plan. We aim to implement more effective promotions and themes, challenge the status quo, and ensure we offer our customers "No reason to leave." We will review processes and transition to a Category Management led structure to facilitate timely range reviews,

optimise our offer, and provide retailers with valuable insights to make informed decisions on layouts and space utilisation. This will lay a strong foundation as we enter the next exciting 12 months of our 5-year plan.

The pursuit of value will remain a top priority as we redefine our pricing strategy and brand hierarchy across LPED, Comm Co, Black and Gold, and Price Match. We will continue to explore new categories to differentiate ourselves from the competitors. Our focus will be on executing the basics well, knowing that our success is tied to the success of our members. The upcoming year will concentrate on driving increased revenue through well-structured Supplier Business Plans aligned with our 5-year plan. We will also implement a robust promotional strategy with clear metrics to evaluate the effectiveness of our promotional activities. We will continue to meet the locals and support Brand Tasmanian, an important part of our DNA.



As I continue to settle into my role, I am encouraged by the enthusiasm and passion I have seen amongst our retailers. I look forward to working together to deliver a market-leading offer to Tasmanian Independent Retailers and IGA Tasmania.

I want to thank the broader merchandise team at TIR for their continued hard work and efforts. I also want to acknowledge our supplier partners for continuing to invest in our network and all the retailers for their feedback to myself and the TIR team.

#### **Exclusive Brands**

Black & Gold - Across the group, sales reached \$2.5M in wholesale sales, which was up 14.36% on last year a result of increased advertising and focus at store level reflecting the underlying trend of Customers focus on value brands within the market.

Community Co - The Community Co brand has continued to grow at pace through the network this year, growing from Circa \$410,000 in wholesale sales last year to over \$1.3M for the full 12 months. This year also saw us contribute over \$8,000 to charities and local community groups nominated by our retailers. I am confident that under the new Category Management function that further range additions of products under this brand will grow even further and be a significant margin enhancement for retailers as well as offering a unique point of difference for our shoppers.

**IGA SIW Service Levels -**Service levels achieved out of SIW have improved considerably YOY from the mid 80% mark to where they sit currently at 93% through closer collaboration on promotional estimates and range review meetings.

IGA Volume Growth (excluding Cigs) Warehouse sales volume grew at 0.71% IGA \$ Value Growth (excluding Cigs) Warehouse sales grew at 6.71% on a normalised 52-week period.

**Trading Term Revenue -** The combination of new, renewed trading agreements and strong sales growth has led to trading terms revenue growing to \$14,866m, representing a value growth of over 11.80% on a normalised 52-week period.

Charge Thru Sales Value - Our Charge Thru suppliers this year generated \$3.330m in value, up 2.59% on a normalised 52-week period. Charge Thru remains an essential part of business, allowing retailers cash flow flexibility and reducing management costs.

# Marketing

Building on the success of previous years, IGA intensified its promotional efforts through increased newspaper insertions for major events in 2023. These targeted initiatives were designed to maximise visibility and drive customer engagement throughout the year.

#### Key promotional activities included:

#### · July: Big Grocery Giveaway

The campaign launched with the highly anticipated Big Grocery Giveaway, attracting substantial customer interest and participation.

#### · September: Footy Finals

Our promotional focus during the Footy Finals tapped into the excitement of the event, enhancing brand visibility and connecting with sports enthusiasts.

#### · December: Christmas

The Christmas campaign highlighted festive offers and seasonal promotions, driving sales during one of the peak shopping periods of the year.

#### · January: Summer

The Summer campaign featured backto-school specials and Australia Day promotions, catering to seasonal needs and holiday celebrations.

#### · March: Easter

Our Easter promotion capitalised on the holiday's consumer spending trends, offering compelling deals and driving traffic to our stores.

These initiatives have been integral in reinforcing our market presence and aligning with key consumer events throughout the year.

### Major Events and Financial Performance

In 2023, Tasmanian Independent Retailers witnessed significant increases in both volume and sales revenue across all major events. This positive trend is attributed to strategic enhancements in our promotional activities and effective cost management. We extend our thanks to our suppliers for their generous contributions, which played a crucial role in mitigating operational costs.

Customer behaviour has notably shifted, with a marked preference for value-driven offerings. This shift is evidenced by increased sales through our Half Price Weekly Specials, Low Prices Every day, Price Match, and Community Co initiatives. The data consistently highlights that these value-oriented strategies are resonating well with our Customers.

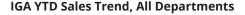


#### **Big Giveaway**

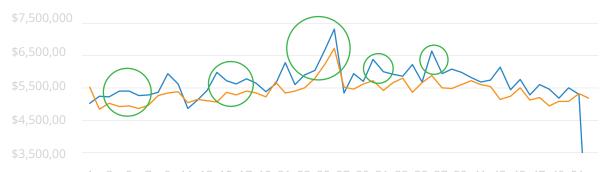
The Big Giveaway in July is a staple in the IGA marketing calendar. \$80,000 worth of gift cards were won with four winners of \$15,000 (given in IGA Gift cards). Subsequently, the prizes won by customers were spent in our stores. Promotional sales results on participating brands were positive, with a 14% increase in sales (\$) and a 9% increase in volume. On top of these outstanding results, our customer engagement was up a whopping 28% to 28,000 online competition entries.

This year, we went all out on marketing this event, additional funds were allocated to the marketing plan, including:

- An extensive press lift-out in local newspapers
- Our first try on letterbox delivery of catalogues across the state
- New Big Giveaway instore POS Kits
- Dedicated TV advertising where our CEO explained the promotion to customers across all commercial TV stations.
- Increased Product and Price spots for TV, Press and Radio
- Expanded printed and digital catalogues
- Increased digital footprint across the socials.



Sales — Sales (last year)



1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 5



#### Lift-outs

The Summer-themed lift-out was a success for stores. With strong focus on content, including recipes, tips and hints, and paid supplier advertising resulted in products advertised in the liftout averaging 60.94% total volume growth (including new lines) and 41% like-for-like product volume growth in 2024 vs 2023. Following the success of the Summer Lift out, an Easter lift-out was created and distributed the same. The Easter lift-out resulted in the products advertised averaging 32.86% volume growth in 2024 vs 2023. The liftouts have been a fantastic addition to the advertising of promotions, and a quarterly lift-out has now been planned.

#### **Looking Forward**

As we approach the new fiscal year, in line with our 5-year strategic plan the focus will be on attracting a younger demographic, particularly young families, by introducing relevant new product lines. Simultaneously, we will enhance our engagement with our senior customer base. Likewise, a key element of our strategy will also continue to involve a more active promotion of the "Local & Tasmanian" positioning of IGA in Tasmania, reinforcing our commitment to local community support and regional identity.

#### **Promotional Partnerships**

Our collaboration with St Lukes Health was a notable success. For their "New Member" promotion held in September and October, IGA Tasmania provided IGA Grocery Cards, which were used as a cashback incentive. This initiative proved highly effective, resulting in the distribution of over \$160,000 in IGA Grocery Cards to Tasmanian shoppers, thereby strengthening our community ties and enhancing customer engagement.

#### **Key Promotional Indicators**

Promotional Performance FY24	FY24	FY23	Improvement
Promotional Sales Growth	17.78%	10.38%	7.40%
Promotional Volume Growth	10.52%	-1.48%	12.00%
Promotional Gross Profit \$ Growth	19.66%	11.16%	8.50%
Promotional Share of Sales	72.07%	66.79%	5.28%
Promotional Gross Profit	16.17%	15.95%	0.22%
Promotional Services Level Jan to June Average	94.21%	87.89%	6.32%

Value program Performance FY23 vs FY24	Sales	Sales Grown	Cases Issued	Volume Growth
Low Prices Every Day	\$23,588,404	28.67%	845,111	20.89%
Price Match	\$20,381,227	16.19%	614,347	9.54%
Community Co.	\$1,355,445	195.56%	41,780	132.94%
Black and Gold Range	\$2,510,425	14.36%	106,958	16.18%

# **Information Technology** and Retail Technology

*In FY24, we achieved significant milestones in cybersecurity, cost management, and retail technology* enhancements. We implemented a "Zero Trust Access" solution to reinforce cybersecurity, completed backup and redundancy projects, and streamlined ICT costs to optimize value. For FY25, our focus will continue on advancing our cybersecurity strategy, executing the SIW Pronto migration, and developing our team's technical expertise. We are committed to building a five-year IT strategy, supporting the Brighton development, and expanding cybersecurity measures, such as advanced threat detection, employee training, and compliance management. These efforts will support operational excellence and sustained growth.

#### IT Update:

In FY24, we achieved significant milestones across key focus areas, enhancing our cybersecurity posture, streamlining cost management, and supporting retail technology advancements. We implemented a robust "Zero Trust Access" solution, completed critical backup and redundancy projects, and rationalised ICT expenditures to optimise value. Looking ahead to FY24, our priorities include advancing our cybersecurity strategy, executing the SIW Pronto migration, and further developing our team's technical expertise to support continued growth and operational excellence.



#### 5 key focus areas completed for FY24:

#### 1. Cybersecurity Enhancements:

- Implemented a "Zero Trust Access" solution to minimise cyber-attack risks.
- Enhanced email protection using Al to guard against phishing and impersonation attacks.
- Conducted improved user training on recognising phishing and impersonation threats.
- Completed external system testing, including penetration testing, to identify vulnerabilities.

#### 2. System Redundancy and Backups:

- · Completed the final stage of the server project.
- Included backup and disaster recovery testing as part of the server project go-live activities.

#### 3. Cost Management:

- Conducted a comprehensive review of ICT expenditures, including telecommunications, software licensing, hardware, and consultant/ contractor costs, to ensure value without compromising system integrity.
- Rationalised I.T. vendors to streamline services and reduce costs.

#### 4. Retail Technology Support:

- Working close with POS providers continued to provide POS data support to TIR member networks.
- Collaborated with SIW and TIR teams on technical development and testing new protocols for Pronto system integration.

#### 5. Energy Contract Management:

- Worked with energy consultants to connect group members to costeffective energy contracts.
- Provided information and support to members interested in joining the TIR Energy Group.

#### 6. Workforce Development:

• Hired an I.T. trainee and a trainee data analyst to grow with the TIR team, initially working alongside experienced team members (such as those in the Marketing and Promotions team) to ensure a skilled and knowledgeable workforce for the future.

These focus areas, along with other ongoing projects, aimed to enhance operational efficiency, cost management, and cybersecurity.



#### Focus for FY25:

Building on the focus from FY23, cybersecurity risk management and system stability remain critical priorities for the business.

In addition to these priorities, we are committed to enhancing our team's technical capabilities to support our ongoing growth and operational excellence.

To this end, we will upskill our IT trainee across all aspects of POS host data and store support. This initiative will ensure that our team members are proficient in managing and troubleshooting POS systems, understanding host data integration, and providing effective support at the store level.

Furthermore, we will focus on developing our trainee data analyst skills in database administration to enhance their ability to generate improved reporting and data analytics. By providing targeted training in these areas, we aim to leverage our data more effectively, enabling better decisionmaking and insights into our operations.

#### **Key focus areas for FY25 will include:**

- 1. Developing a comprehensive 5-year IT strategy: Develop a 5-year I.T. strategy focusing on "connected stores strategy" to guide I.T. investments and initiatives, ensuring alignment with the business's long-term goals.
- 2. SIW Pronto Migration: Ensuring a smooth and efficient migration to the SIW Pronto system, optimising processes and integration across departments.
- 3. Brighton Development: Supporting the IT infrastructure and technological advancements required for the Brighton development project.
- 4. Cybersecurity: strong focus on cybersecurity, addressing the following aspects:
  - Risk Assessment and Management: Conducting regular risk assessments to identify vulnerabilities and potential threats. Developing and implementing strategies to mitigate these risks and protect sensitive data and systems.
  - · Security Policies and Procedures: Establishing comprehensive security policies and procedures to ensure consistent and effective protection across all IT systems and data assets. This includes access controls, data encryption, and incident response protocols.

- Employee Training and Awareness: Providing ongoing training and awareness programs to educate employees about cybersecurity best practices, potential threats, and how to recognise and respond to security incidents.
- · Advanced Threat Detection and Response: Implementing advanced threat detection tools and response mechanisms to quickly identify and address security breaches or suspicious activities. This includes real-time monitoring and automated alert systems.
- Compliance and Regulatory Requirements: Ensuring that all I.T. systems and processes comply with relevant cybersecurity regulations and standards. Regularly reviewing and updating practices to meet evolving compliance requirements.
- Incident Management and Recovery: Developing and testing incident management plans to ensure a swift and effective response to security breaches. This includes data backup and recovery strategies to minimise downtime and data loss.

# **People & Culture**

#### Introduction

#### **Drew Freeman**

After a diligent and rigorous recruitment process by the TIR Board, Drew Freeman joined TIR as the new CEO in November 2023. Drew brings valuable experience and a deep understanding of the independent landscape, backed by his tenure as General Manager at Statewide Independent Wholesalers and his extensive experience in the supermarket and retail sectors. Drew has a focus on strengthening relationships with TIR employees, members, and stakeholders.

#### Josie Cattermoul

Josie boasts a distinguished career in the merchandise and retail sectors, with over two decades of expertise spanning across the UK, NZ, and Australia. Her diverse background includes contributions to corporate grocery, hardware, DDS, speciality, and, more recently, independent convenience and B2B as Head of Trading-Ambient, Frozen, and Horticulture at James Hall Co (SPAR)-Preston.

Josie has brought fresh perspectives and valuable insights to our member network as General Manager Merchandise & Marketing and organisation as a whole to help us grow member market share and help shape the network of the future.

#### Stuart Robins

Stuart Robins joined TIR in March 2024 as General Manager of Corporate Services. He oversees Governance, Risk, IT resourcing, Data, and Asset Management, including the Brighton store project. Stuart's extensive knowledge of our members, market, and operational conditions offers a strategic opportunity to strengthen our business operations.

#### **Farewell**



#### **Grant Hinchcliffe**

In August 2023, Grant Hinchliffe, CEO of TIR, stepped down from his role. Grant's departure marked the conclusion of his remarkable 33-year journey with TIR, during which he dedicated 16 years as our CEO.

Throughout his tenure, Grant's commitment and leadership have significantly contributed to TIR's success and growth within the grocery industry. His legacy is underscored by the achievements we've accomplished together, placing our Cooperative in a robust financial and strategic position in an increasingly competitive retail landscape.



#### Joel Zamek

Over the past three years, Joel has served as the Head of Merchandise and Supplier Engagement at TIR, where he successfully strengthened supplier arrangements and contributed to meaningful growth for our members. loel has now advanced his career in independent retailing with Foodland in South Australia.





#### **Culture & Safety engagement**

The health and safety of our employees, members and customers is of paramount performance.

Our 3-year Safety ambition is to have a culture where:

- Everyone considers the safety impact of everything we do
- · Everyone takes ownership and acts safely
- · We openly discuss safety issues

We progressed into year two of our ambition and have committed to the following initiatives:

#### **Healthy Business Partnership:**

• Initiative Launch: In September 2023, we partnered with Healthy Business to enhance our safety and wellbeing initiatives for our people. The launch, featuring Alastair Lynch—a former footballer and advocate for healthy lifestyles who managed chronic fatigue while playing AFL—sparked significant employee engagement. Many have started using the program app and actively participated in individual and group sessions.

- **Program Offerings:** The Healthy Business program provides our employees with sessions on:
  - Employee Health Coaching
  - Topical Health Presentations
  - Manual Handling
  - Psychological Safety
  - Mental Health
- Business Benefits: This initiative is designed to generate positive outcomes by improving employee wellbeing, reducing absenteeism, increasing productivity, and promoting retention.

#### Team Engagement and **Culture-Building:**

- Cross-Unit Functions: Throughout the year, our people come together for cross-unit functions that enhance team support, provide opportunities to cultivate a positive culture, and celebrate successes.
- Quarterly Gatherings: Over the past twelve months, we've hosted quarterly combined gatherings, including events like "Step into Spring," a Christmas gettogether featuring lawn bowls, and most recently, "Winterfest," which showcased the culinary talents of an employee passionate about smoking meat.

• Continuous Improvement: We are committed to involving our people in initiatives that make our workplace better.

#### TIR's Strategic Commitment to becoming an Employer of Choice:

- Cultural Evolution and Recruitment: TIR is strategically focused on evolving its business culture and recruiting individuals who align with our vision and values. This commitment is central to our goal of becoming a Tasmanian Employer of Choice.
- Tasmanian Employer of Choice **Program:** This program recognises employers that create positive workplaces through best practices. Employers who care about their people and build well-managed, inspiring workplaces gain a competitive edge in attracting and retaining talent.
- Core Demonstrations: As part of our commitment to this program, TIR demonstrates:
  - 1. A commitment to investing in staff wellbeing.
  - 2. Support for inclusive practices.
  - 3. Promotion of a positive work-life balance.
  - 4. Adherence to best practices through our workplace policies and procedures.







### **Governance & Risk**

#### **Risk Update**

- · Adopted a new simplified Risk matrix document to help facilitate improved engagement from the Senior Leadership Team.
- Strategic risk review completed by the TIR Board during June.
- The Strategic risks identified by the board have been reviewed by the senior leadership team with actions and time frames developed to help reduce the risk rating of the strategic risks.
- An Operational risk review has commenced with IT, Marketing and Finance risks being identified so far. Merchandising, People and Culture, Safety, IFP and Brighton are yet to be completed.
- · An Island Fresh Produce operational/ safety risk review has been completed by the safety and operational team from IFP. Further work is required to develop actions to help mitigate the identified risks.

#### **Modern Slavery Update**

- In April 2024 195 Modern slavery supplier questionnaires were sent out requesting information on supplier's labour use, awareness of modern slavery, processes/policies in place to address any risk and any breaches of the modern slavery legislation.
- Currently working with all produce suppliers to ensure the Modern Slavery Questionnaire is completed due to the potential risk profile, i.e. high users of seasonal, casual, visa workers, of these suppliers.
- In all other supply categories the top 5 suppliers, a total of 20 questionnaires, have been completed.
- · Increased number of surveys sent and received from vendors indicating no breaches of their policies etc.
- Focus on produce vendors to get a better understanding of their supply chain process.

- · Complete risk review of produce vendors and commence visits, O3 F25. to those vendors who are higher risk.
- A risk based review of all suppliers will be completed by June 2025 based on the following risk profiles:
  - Labour use seasonal, casual, visa
  - Overseas inputs into the manufacturing/supply chain.
  - Compliance (Modern Slavery Statement, Policies, Due diligence etc.)
  - Training
  - Breaches
  - Annual Spend
- Following the risk based review TIR will commence working with those vendors identified with a higher risk to further understand the risk and what actions are being undertaken by the supplier to reduce the risk.

#### **Risk Model**

Strategic				
Supply chain	Competition	Brand Trust	People	IT
Operational				
Supplier Engagement	Supply Chain	Member Satisfaction	People & Culture	Data Quality & Governance
Data & Cyber	Safety, Health, & Wellbeing	Technology	Compliance	Finance



# **Brighton Update**

In November 2023, TIR commenced an Expression of Interest process for the sale of the existing IGA Brighton Supermarket business, which also included a sale transition to the new Supermarket premises being built by TIR at 162 Brighton Road.

The offers received via the EOI's fell short of business expectations, predominantly driven by potential uncertainty of what the new store would deliver and as such, the offers appeared to be based on the level of trade of the current store. Based on these offers, the directors resolved that TIR would complete the project build and fit out of the new store. TIR will continue to operate IGA Brighton in the short-term.

While there is a significant material cost to build and fit out the new store, the return on investment will include an increase in market share, revenue distribution to members, shared learnings through concepts, ranges,

technology & innovation as well as improved supplier commercials on the back of the additional volume this store will generate.

Increases in volume and market share are pivotal to TIR being able to negotiate improved terms and deals with suppliers, which in turn, benefits all members.

The performance of the new store will be monitored closely and will also be considered for sale, post a reasonable trading period to ensure financial performance is realised.

The new store will include adjacent tenancies for a Banjo's Bakery, Subway and a Cellarbrations bottle shop.

Within the Supermarket, members will see new technology and innovation, such as electronic ticketing, electronic waste management, state of the art refrigeration, POS and cash handling systems as well as new ranges and concepts across the store.

The store will also be used as a light house for our network with the intention to share data across our membership that will provide valuable retail insights.

With fit out expected to take up to 3-months post build completion, there is a soft opening for the new store targeted for end of November with the Grand Opening set for early December.



# **Community Sponsorships** & Partnerships

#### IGA regularly supports and works with many Charities through Tasmania.



### NWFL (NORTH WEST FOOTBALL LEAGUE)

"In 2024, the North West Football League (NWFL) proudly hosted over 2,840 participants, marking a 7%

increase compared to the previous year. The NWFL had a slight growth in team numbers in 2024, helping solidify and reason this participant percentage growth with the addition of three teams in 2024. The major growth area for the competition occurred in junior girls age groups' under 14 and under 17, with despite no actual team growth, the NWFL had over 70 more participants than in 2023, which was highlighted by all teams having significant and strong numbers across the board.

Spanning nearly 150km from Smithton to Latrobe, our league's geographic reach is both unique and extensive, covering the entire Coast. Again, Circular Head/Smithton saw the major growth, with the three extra teams added to the NWFL in season 2024, two of those came out of the Circular Head Football Club. This expansion is crucial, as it fosters a more robust pathway for young aspirants from this area who are keen to engage in Coastal football.

Our Grand Finals event this year was a resounding success, drawing in excess of 3,800 spectators over two separate days dedicated to boys' and girls' matches, held at Wynyard and Devonport respectively. A major increase in attendance for both days on last years events helped showcase our talent but also encourage and give something for the players to look forward for, highlighted by the female grand final blockbuster where the Under 14 girls, Under 17 girls are played before the Senior Women grand final as curtain raisers.

Looking ahead to 2025, we are committed to continuing our support and development initiatives for both boys and girls participating in the NWFL.

We would like to extend our heartfelt gratitude to IGA Tasmania and Travis Allen for their unwavering support and contribution to our league's success.

Together, we are shaping the future of football in the North West, creating opportunities, building community comraderies' and loving the game!



#### NTJFA (NORTHERN TASMANIA JUNIOR FOOTBALL ASSOCIATION)

We have enjoyed another successful year, with over 2000 players in both boys' and girls' teams across our 12 member clubs. Impressively, 7 of these clubs had teams that reached the Youth Grand Finals, held once again at UTAS Stadium over two wet and windy days. It was heartening to see so many people supporting junior football despite the challenging weather.

This year, we saw an increase to 97 registered teams:

- 34 Junior Teams (14x U9 Mixed, 13x U10 Mixed, and 7x U11 Girls)
- 63 Youth Teams (15x U12 Mixed, 10x U14 Girls, 14x U14 Boys, 14x U16 Boys, and 10x U17 Girls)

For the first time post-COVID, we came together as a community to celebrate

the outstanding achievements of our Best and Fairest players, who have been wonderfully supported by our coaches and support staff throughout the season. We also began celebrating our 50th year as an association, acknowledging the vision, passion, and commitment of our past football community leaders who, in 1974, connected our community through AFL.

This season has been filled with incredible highs and challenging moments. Through it all, our association and its players have shown remarkable resilience, dedication, and sportsmanship. Each player has given their all on the field, and their hard work and commitment have not gone unnoticed.

Sponsorship is something we would not be able to achieve the above without; it allows us to give back to our clubs. I would like to extend our gratitude to our major sponsor, IGA, for being a vital part of our program.











## STJFL (SOUTHERN **TASMANIA JUNIOR FOOTBALL LEAGUE)**

The STJFL again in season 2024 has had a record year. This continues the upward

trend of previous seasons. AFL Tasmania has had resounding increase in Auskick this season which argues well for further participation growth in season 2025 from U8 upwards.

- · 217 Teams +8
- · 4154 players participate
- 1119 female players
- 3034 male players
- · 298 registered coaches
- · 294 registered team managers
- · 268 registered volunteers
- 1693 matches scheduled including finals.



## **2023 WAS THE** 11TH 7 TASMANIA **OPEN DANCESPORT CHAMPIONSHIPS**

We continue to work to our key points of difference:

- High event standard and spectacular production
- · Highest prize purse compared to the national competition circuit
- Attracting accomplished adjudicators and competitors
- VIP treatment of competitors
- · Overlay of Tasmanian produce and sense of place

Our aim was to ensure the return of entrants from across Australia, encourage other travellers to visit Tasmania and of course to fill the audience not just for ticket sales, but also because dancers love the atmosphere created by a large audience which isn't always available at other Competitions around the country. This saw a tempering of competitor numbers (as planned due to time constraints) but a slight life in the number of interstate attendees.

## Highlights from 2023

- 335 couples (670 dancers) specifically reduced
- · Location breakdown of 1236 tickets - 551 from interstate, 320 outside of Launceston.
- · Average length of stay 2.9 nights (increased from 2.1 in 2019)
- Website visits increasing to 23,353 in 2023.
- · Ticket Sales for tables exceeded budget.
- · Lowered the C Reserve ticket seats to \$39 which increased by 71 tickets.
- · Interstate and intrastate visitor number exceeded budgeted projections.

## Actual Facebook and Instagram Results 2023

• FB Page Followers: 2,489

• FB Page Interactions: >26,000

Facebook Page Impressions: 1,120,326

· Facebook Unique Reach: 346,706

· Website Visits (sessions): 28,555

Instagram Followers: 1,010

Instagram Reach: 152,215

## **CHARITY RELIEF**

IGA has continued working with many Charities through Tasmania in 2023/2024 providing a 20% discount on IGA Food Cards to make their dollar go further.

Charities that have benefited from the discount were:

- Salvation Army
- Caring Networks
- · St Vincent de Paul Society
- · Benevolent Society.
- · Rural Business Tasmania 20% discount totalled \$11,828





## **RELAY FOR LIFE** SEASON 2024

## Participation

- · Number of Relay events held statewide, dates, participants.
  - · Hobart 24-25 February 2024 -1,108 participants
  - Launceston 16-17 March 2024 -556 participants
  - North West 23-24 March 2024 -709 participants
  - · Circular Head 2 March 2024 (12hour Relay) - 171 participants
  - Triabunna 6 April 2024 193 participants
  - Sorell 5 October 2024 224 participants
- TOTAL Relay participation = 2,961

## TOTAL funds raised = \$616,638 (gross)

## Acknowledgement at events

• IGA Logo on the 2024 Relay for Life shirt

## Verbal acknowledgement at each Relay For Life event as Principal Sponsor by:

- · Master of Ceremonies
- · CCT representative during opening address
- CCT or Committee representative during opening address IGA Banner display in prominent locations at each event

## IGA Tasmania engagement through social media

- Facebook x 13,000 followers
  - · 2023 x 25 mentions
  - · 2024 x 34 mentions
- Instagram x 1,724 followers
  - from 2 October to 30 June x 21 posts featuring IGA logo and sponsorship of Relay For Life and association with ABMT 2024.
- · Website
  - · Recognition as Principal Sponsor with IGA logo placement in Sponsors TAB on each event webpage. https://www.relayforlife.org.au/events

# Financial Report

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

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# **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 2024.

## **Directors**

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

	Eligible Meetings	Meetings Attended
Michael Baxter (1)	6	6
Brett Mackay (1)	6	6
Chris Hill (2)	3	3
Mark Colson (1)	6	6
Kemuel Wood (1)	6	6
John Hosken (3)	3	3
Craig Redman (4)	0	0

- (1) Michael Baxter, Brett Mackay, Mark Colson, and Kemuel Wood were directors on the board for the entire financial year.
- (2) Chris Hill retired as a director effective 29 November 2023.
- (3) John Hosken joined the board effective 29 November 2023 and retired as a director effective 28 August 2024.
- (4) Craig Redman joined the board effective 24 September 2024.

## Director qualifications and experience and responsibilities

## Michael Baxter

Michael Baxter joined the board as a member director in November 2005 and later reappointed as a non-member director. Mr Baxter was appointed as Chairman in November 2017.

Experience: Mr. Baxter is the former owner operator of IGA Westbury and IGA Shearwater.

## **Brett Mackay**

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

Experience: Mr Mackay is a director of MIKRO Pty Ltd, existing operator of IGA X-Press Lindisfarne.

## **Chris Hill**

Chris Hill joined the board as a member director in November 2011. Mr Hill retired as a director effective 29 November 2023.

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

## **Mark Colson**

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

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

## **Kemuel Wood**

Kemuel Wood joined the board as a member director in November 2021.

Experience: Mr Wood is a director of Casmek Investments Pty Ltd, existing operator of Bay of Fires IGA St Helens.

## John Hosken

John Hosken joined the board as a member director on 29 November 2023. Mr Hosken retired as a director effective 28 August 2024.

Experience: Mr Hosken is a director of Buster George Pty Ltd, former operator of IGA X-press Ouse and current operator of Johnny's IGA X-Press Bridport.

## **Craig Redman**

Craig Redman joined the board as a member director on 24 September 2024.

Experience: Mr Redman is a director of Red-Jar (TAS) Pty Ltd, existing operator of IGA Railway Supermarket Ulverstone.

## Secretary qualifications and experience

## **Rocco Maio**

Mr Maio retired as independent Secretary on 25 March 2024.

Mr Maio holds a Bachelor of Commerce from Deakin University. Mr Maio is skilled in corporate governance and holds multiple company secretary positions. He has worked extensively with the Australian Institute of Company Directors in Hobart.

## **Andrew Gray**

Mr Gray was appointed as independent Company Secretary on 25 March 2024.

Mr Gray holds a Bachelor of Business (Accounting) from the University of Tasmania and is a Fellow of the Chartered Accountants Australia and New Zealand (CAANZ). Mr Gray is a director of Newton & Henry Pty Ltd and has extensive governance experience.

## **Principal Activities**

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

## **Changes in State of Affairs**

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

The consolidated profit of the co-operative for the financial year after providing for income tax amounted to \$2,633,628. This compares to a profit of \$4,011,157 for the year ended 30 June 2023.

## **Environmental Regulation**

The Co-Operative is subject to usual State and Federal environmental regulations, however, the operations are not subject to any industry specific environmental regulation. All sites are licenced with State and Council authorities as required. To the Boards knowledge, the Co-Operatives activities are in full compliance with all prescribed environmental regulations.

## **Dividends/Distributions**

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

## **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 of those operations, or the state of affairs of the co-operative in future financial years, with the exception of those noted in Future Developments below.

## Significant Changes in the State of Affairs

The co-operative commenced construction of a new IGA / retail complex in Brighton during the year. The development is approximately 2450m2 in size and will house a state-of-the-art supermarket plus 3 additional retail tenancies. The total development cost is estimated to be around \$12.5m with a target completion date of late 2024.

The larger Brighton operation is a strategic asset with the aim of protecting/increasing market share. This, in turn, is expected to have a positive impact on both case allowance and terms revenue for the co-operative.

## **Future Developments**

The co-operative will transition the existing IGA Brighton operations to the newly constructed premises mentioned above. This will have a significant impact on revenue, cost of operations, and number of employees for the business. The lease of the existing premises is expected to be discontinued.

## **Directors Interests & 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.

Brett Mackay, Mark Colson, Kemuel Wood, John Hosken, and Craig Redman hold 50 ordinary shares each, either directly or indirectly. Chris Hill held 50 shares indirectly during his period of directorship.

## **Indemnification of Officers and Auditors**

The Co-Operative has indemnified the directors and officers of the Co-Operative for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Co-Operative has paid a premium to insure the directors and officers of the Co-Operative for legal expenses and liability. Such insurance covers persons who are currently, or have been, directors or executive of the co-operative while acting in their capacity as such other than where there has been a lack of good faith. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Directors and officers include all executive staff and the company secretary.

The Co-Operative has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Co-Operative or any related entity against a liability or legal fee incurred by the auditor.

The Co-Operative has not, during or since the financial year, paid a premium in respect of a contract to insure the auditor of the Co-Operative or any related entity against a liability or legal fee incurred by the auditor.

## Auditor's independence declaration

The auditor's independence declaration in accordance with the Co-operatives National Law (Tasmania) Act 2015, for the year ended 30 June 2024 has been received and can be found at the end of this financial report.

**Brett Mackay** 

Dated: 31/10/2024

Michael Baxter

# **Statement of Profit & Loss** and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 52 Weeks \$	2023 53 Weeks \$
Continuing operations			
Sale of goods and services from continued			
operations	5	45,022,306	46,108,356
Cost of sales from continued operations		(35,688,747)	(37,783,063)
Gross profit		9,333,559	8,325,293
Charge through revenue		3,329,621	3,308,025
Supplier case allowance revenue		46,652,003	40,181,843
Supplier terms revenue		14,866,009	13,552,375
Investment revenue Share of net profit from associates using the equit	У	1,067,782	1,005,634
method (SIW)		951,194	1,372,389
Change in fair value of investment property		(187,400)	1,280,232
Change in fair value of financial investments		210,224	214,770
Other revenue		295,943	475,462
Total income		76,518,936	69,716,024
Case subsidies and price support		(47,897,429)	(40,928,959)
Advertising and marketing expenses		(1,772,656)	(1,689,892)
Depreciation and amortisation expenses		(911,166)	(872,489)
Employee benefits expense		(9,490,187)	(8,890,539)
Financial expenses		(61,224)	(83,727)
Motor vehicle and delivery expenses		(720,832)	(685,935)
Property and occupancy expenses		(774,073)	(748,242)
Information, communication and technology		(487,493)	(502,972)
Other expenses		(2,195,206)	(2,083,386)
Total expenses		(64,310,267)	(56,486,141)
Profit/(Loss) before tax and member distributions		12,208,669	13,229,884
Equipment development fund expense		(1,149,430)	(1,137,202)
Purchase incentive payment expense		(7,733,571)	(6,982,868)
Total member rebate and incentive expense		(8,883,001)	(8,120,069)
Profit/(Loss) before tax		3,325,668	5,109,814
Income tax (expense)/benefit	6	(692,040)	(1,098,658)
Profit/(Loss) for the year		2,633,628	4,011,157
Total comprehensive income for the year		2,633,628	4,011,157

# **Statement of Financial Position**

JUNE 2024	Note	2024	2023
		\$	\$
Current assets	_		
Cash assets	7	11,060,660	15,498,749
Receivables	8	6,895,815	6,956,625
Inventories	9	993,138	1,053,791
Finance lease asset	10	285,447	275,209
Current tax assets	23	-	156,366
Other assets	11	288,180	104,085
Total current assets		19,523,239	24,044,824
Non-current assets			
Financial assets	12	5,327,241	4,877,437
Investment accounted for using the		5,5=1,= 1.5	
equity method	13	24,366,762	23,415,567
Investment property	14	7,000,000	7,200,000
Property, plant & equipment	15	15,243,094	8,803,428
Finance lease asset	10	516,941	802,388
Right-of-use assets	16	58,282	174,849
Intangible assets	18	1,005,431	1,005,431
Other assets	11	195,225	267,902
Total non-current assets		53,712,975	46,547,001
Total assets		73,236,214	70,591,825
Current liabilities			
Payables	19	12,137,690	11,503,404
Lease Liabilities	20	337,152	386,029
Interest bearing liabilities	21	181,537	212,330
Provisions	22	817,447	884,756
Current tax liabilities	23	39,511	-
Total current liabilities		13,513,337	12,986,518
Non-current liabilities	24	104 245	205 542
Interest bearing liabilities Lease liabilities	21	184,245	365,512
	20	516,941	864,926
Deferred tax liability	17	162,118	95,230
Provisions	22	137,956	192,050
Total non-current liabilities		1,001,261	1,517,719
Total liabilities		14,514,597	14,504,237
Net assets		58,721,616	56,087,588
Equity			
Equity  Contributed equity	24	7.000	6.600
Contributed equity Retained profits	24 25	7,000 58,714,616	6,600 56,080,988

# **Statement of Changes in Equity**

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Contributed equity \$	Retained earnings \$	Total \$
Balance at 1 July 2022		6,600	52,069,832	52,076,432
Profit attributable to equity shareholders		-	4,011,157	4,011,157
Share issued/(repurchased) during the year		-	-	-
Balance at 1 July 2023		6,600	56,080,988	56,087,588
Profit attributable to equity shareholders		-	2,633,628	2,633,628
Share issued/(repurchased) during the year	24	400		400
Balance at 30 June 2024		7,000	58,714,616	58,721,616

# **Statement of Cash Flows**

FOR THE YEAR ENDED 30 JUNE 2024

Note	2024 52 Weeks \$	2023 53 Weeks \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	114,646,476	106,285,404
Payments to suppliers and employees	(111,266,844)	(102,848,637)
Interest and dividends received	436,202	424,148
Interest expense paid	(61,224)	(83,727)
Other receipts	231,950	235,749
Income tax received/(paid)	(429,272)	(747,244)
Net cash provided by/(used in) operating activities	3,557,287	3,265,694
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	148,637	106,666
Payment for property, plant and equipment	(7,368,589)	(1,383,341)
Movement in loans to related entities	72,677	69,735
Proceeds from the disposal of/(payments for) investments	(239,580)	(189,183)
Net cash provided by/(used in) investing activities	(7,386,855)	(1,396,123)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	602,841
Repayment of borrowings	(212,059)	(294,690)
Repayment of lease liabilities	(396,862)	(344,236)
Shares issued/(repurchased)	400	<u> </u>
Net cash provided by/(used in) financing activities	(608,522)	(36,085)
Net increase (decrease) in cash held	(4,438,090)	1,833,485
Cash at beginning of year	15,498,749	13,665,264
Cash at end of year 7	11,060,660	15,498,749

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

## Note 1: Corporate Information and Basis of Preparation

## 1.1 Information About the Co-Operative

Tasmanian Independent Retailers Co-Operative Society Limited (the Co-Operative) is a Co-Operative domiciled and operating in Australia under the Co-Operatives National Law (Tasmania) Act 2015.

The Financial Report of the Co-Operative is for the 52-week period ended 30 June 2024. The comparative period is the 53week period ended 30 June 2023.

The address of its registered office and principal place of business is as follows:

## 1.2 Principal Place of Business and Registered Office

8 Translink Avenue Western Junction, TAS 7212 Tel: (03) 6391 0200

## 1.3 The Principal Activities of the Co-Operative

TIR is a for-profit entity whose role is to provide centralised support for all retail banner members in the areas of:

- -Supplier negotiations and trading terms
- -Banner advertising support
- -Plant and equipment purchases
- -In-store ranging and layout support
- -Centralised retail pricing and promotional pricing support via host support systems
- -Stay in business and in-store expansion advice
- -Provision of volume related rebates to members based upon member purchases

## 1.4 Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the Co-Operatives National Law (Tasmania) Act 2015.

Details of the Co-Operative's accounting policies are included in Note 4.

## 1.5 Statement of Compliance

The Co-Operative does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

## Note 2: Changes in Material Accounting Policies

## 2.1 Material Accounting Policy Information

The Co-Operative adopted AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054, and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Co-Operative to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 4 Material Accounting Policy Information (2023: Significant Accounting Policies) in certain circumstances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023 but did not have a material effect on the Co-Operative's financial statements.

## Note 3: Judgements and Key Sources of Estimation Uncertainty

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 detailed below:

## **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.

## **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.

## Lease term

Management determines whether or not property lease option are reasonably certain to be exercised. Changes to this determination will have a material effect on the lease liabilities and right-of-use assets recognised on the Co-Operatives balance sheet.

## **Note 4: Material Accounting Policy Information**

## 4.1 Basis of Accounting

These 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 value of the consideration given in exchange for assets. The financial statements are presented in Australian dollars, which is the Co-Operative's functional currency.

## Note 4: Material Accounting Policy Information (cont'd)

## 4.2 Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers when a contract with a customer contains performance obligations to transfer goods or services to the customer that are sufficiently specific to determine when the obligation has been satisfied. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Revenue is measured at the amount which the organisation expects to receive in consideration for satisfying its performance obligations to a customer. Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

## Sale of Goods

Revenue from the sale of goods is recognised at the point of the delivery, or passing to a third party freight carrier, as this corresponds to the transfer of control of the goods and satisfaction of the performance obligation.

## **Supplier Case Allowance Revenue**

Supplier case allowance revenue is recognised at the point in time when transfer of the control of the goods from the supplier to the purchaser to which the case allowance revenue relates. The satisfaction of the performance obligation to recognise case allowance revenue occurs simultaneously to the satisfaction of the performance obligation for the sale of the goods.

Where additional performance obligations are set by the supplier, the case allowance revenue is recognised on satisfaction of the additional performance obligation. This may be the end of a promotional period or when a target volume over a certain period of time is achieved.

## **Supplier Terms Revenue**

Supplier terms revenue is recognised at the point in time when transfer of the control of the goods from the supplier to the purchaser to which the terms revenue relates. The satisfaction of the performance obligation to recognise supplier terms revenue occurs simultaneously to the satisfaction of the performance obligation for the sale of the goods.

Where additional performance obligations are set by the supplier, the supplier terms revenue is recognised on satisfaction of the additional performance obligation. This may be the end of a promotional period or when a target volume over a certain period of time is achieved.

## **Charge Through**

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

## Investment Revenue

Investment revenue is recognised 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.

## Other

Other revenue is recognised as income upon receipt.

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

## 4.3 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. The Co-Operative treats equity accounted gains and losses as non-assessable / non-deductable in the tax calculation and no temporary difference is recorded. The basis for this assessment is that the Co-Operative's investment in assets accounted for using the equity method (Statewide Independent Wholesalers Limited - SIW) is most probable to be realised via the outflow of dividends from the equity accounted entity to the Co-Operative. When dividends are declared, these will be accompanied by an imputation credit as tax has been paid by the equity accounted entity, therefore no tax would be payable by the Co-Operative.

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 Co-Operative'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 Co-Operative 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.

## 4.4 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 either a straight-line or diminishing value basis, dependent to management's assessment of the use of the asset, to write down the cost less estimated residual value. The following useful lives are applied:

Class of fixed asset	Useful life
Buildings	20-40 years
Plant & Equipment	2-20 years
Motor vehicles	4-8 years

## 4.4 Property, plant and equipment (cont'd)

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.

## 4.5 Leases

At inception of a contract, the Company assesses whether a lease exists.

## Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Co-Operative recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Co-Operative believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Co-Operative's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Co-Operative's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or the remeasurement is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 4.5 Leases (cont'd)

## **Exceptions to lease accounting**

The Co-Operative has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Co-Operative recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Lessor accounting**

When the Co-Operative is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Co-Operative's net investment in the lease.

## 4.6 Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

## 4.7 Financial Instruments

## **Recognition and initial measurement**

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Co-Operative becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Co-Operative changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if it is not designated as at FVTPL and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Co-Operative may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## 4.7 Financial Instruments (cont'd)

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

## Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

## **Financial liabilities at FVTPL**

A financial liability is classified at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

## Financial liabilities at amortised cost

Other financial liabilities, not included as financial liabilities at FVTPL, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derecognition

## **Financial assets**

The Co-Operative derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Co-Operative neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Co-Operative enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

## **Financial liabilities**

The Co-Operative derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Co-Operative also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Co-Operative currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Measurement of fair values

All equity securities are traded on an active market and are revalued at the closing unit price on the balance day.

## 4.8 Investment in Associates

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.

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.

## 4.9 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 reviewed 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. Valuations are completed by external valuers annually.

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.

## 4.10 Operating Lease

The Co-Operative leases out it's investments property (St Helens Central). The Co-Operative has classified all the leases for this property as operating leases, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The below maturity analysis of lease payments shows the undiscounted lease payments to be received after the reporting date. Lease payments for unexercised options have not been reported.

	2024	2023
Less than one year	585,244	613,327
One to five years	116,989	494,491
More than five years	-	
Total	702,234	1,107,818

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.

## 4.11 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.

## 4.12 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.

Contributions to defined contribution plans recognised as an expense in profit & loss in 2024 totalled \$801,131 (2023: \$744,003).

## Other long-term employee benefits

The Co-Operative'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 remeasurements 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.

## 4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on 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.

## 4.14 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.

## 4.15 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.

## 4.16 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 cashgenerating 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.

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.

## 4.17 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.

	2024 \$	2023 \$
Note 5: Operating Profit		
Profit from ordinary activities before income tax expense has been determined a	fter:	
(a) Revenue and Net Gains		
Sales of goods and services - Island Fresh Produce	32,355,039	32,874,854
Less interdivisional sales	(578,193)	(625,746)
Sales of goods and services - TIR retail operations	1,353,460	1,803,672
Sales of goods and services - IGA Brighton	11,892,000	12,055,575
	45,022,306	46,108,356
(b) Expenses		
Bad & doubtful debts	26,653	97,869
Remuneration of the auditor:		
- audit or review	54,625	37,500
Conference expenses	172,073	317,340
Non-member rebates	298,963	303,621
Insurance	446,590	429,818
New store rebate	69,685	91,916
Note 6: Income Tax Expense  Current income tax reconciliation:  The prima facie tax payable on profit from ordinary activities before income tax as follows:	x is reconciled to the inco	ome tax expense
Profit from ordinary activities before income tax	3,325,668	5,109,814
Effective tax rate	30%	30%
Expected tax expense	997,700	1,532,944
Adjustment for:		
- relating to equity accounted investments	(285,358)	(411,717)
- franking and other tax credits	(20,302)	(22,569)
Income tax expense attributable to profit from ordinary activities	692,040	1,098,658
Tax expense comprises:		
Current income tax expense/(benefit)	625,152	498,093
Deferred tax (income)/expense relating to the origination and reversal of	66,888	600,565
temporary differences		
Total income tax expense	692,040	1,098,658
Note 7: Cash Assets		
Cash on hand	16,999	400
Cash at bank	11,043,661	15,498,349
	11,060,660	15,498,749

	2024 \$	2023 \$
Note 8: Receivables		
Trade debtors	7,056,104	7,079,256
Provision for impairment of receivables	(160,289)	(122,632)
	6,895,815	6,956,625
Impairment losses  An impairment loss on trade receivables of \$37,657 was recognised in the 2024 f allowance for trade receivables and contract assets are based on assumptions at rates. The expected loss rates applied at 30 June 2024 vary from 5-75%.		
Note 9: Inventories		
Stock on hand	993,138	1,053,791
Note 10: Finance lease assets		
Lease receivable - current	285,447	275,209
Lease receivable - non-current	516,941	802,388
	802,388	1,077,597
Note 11: Other Assets		
Current		
Prepayments	288,180	104,085
	288,180	104,085
Non-current		
Loan to other corporations	195,225	267,902
	195,225	267,902
Total other assets	483,405	371,987
Note 12: Financial Assets		
Listed equities	31,364	33,314
Listed unit trusts	155,798	160,456
Unlisted trusts	5,140,079	4,683,667
	5,327,241	4,877,437
Current	-	-
Non-current	5,327,241	4,877,437
	5,327,241	4,877,437

2024 2023 \$ \$

## Note 13: Investment in associated entities

An interest is held in the following associated company:

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 is a jointly owned company of Tasmanian Independent Retailers Co-Operative Society Ltd and Woolworths Group Limited.

a) Movements during the year in equity accounted		
investments in associated companies		
Balance at beginning of the financial year	23,415,567	22,043,178
Share of associated company's net profit/(loss) after income tax	951,194	1,372,389
Balance at end of the financial year	24,366,762	23,415,567
b) Equity accounted associate profits are broken down		
as follows		
Share of associates net profit before income tax expense	1,358,849	1,960,556
Share of associates income tax (expense)/benefit	(407,654)	(588,167)
Share of associates net profit after income tax expense	951,194	1,372,389
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c) Summarised presentation of aggregate assets,		
liabilities and performance of associates		
Current assets	202,413,381	186,874,538
Non-current assets	113,004,506	120,214,618
Total assets	315,417,887	307,089,156
Current liabilities	129,068,603	119,259,856
Non-current liabilities	126,432,382	130,290,384
Total liabilities	255,500,985	249,550,240
Net assets	59,916,902	57,538,916
_		
Revenue	1,479,900,784	1,365,445,207
Profit/(Loss) after income tax expense	2,377,986	3,430,973
d) Sales to members		
Sales from SIW to TIR members and c-stores	222 057 400	210 ((2.964
Sales from Siw to Tik members and c-stores	322,057,489	310,662,861

Balance as at 30 June 2024           Gross carrying amount         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         21,004,073           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets Net carrying amounts Buildings         58,282         174,849           Movement during the period         Buildings         Buildings         Buildings           Copening Balance         174,849         263,218         \$           Remeasurement         -         22,558         2,558           Depreciation         (116,567)         (110,927)					20	)24 \$	2023 \$
Capitalised subsequent expenditure   Reclassification   Reclassification   Reclassification   Reclassification   Reclassification   Reclassification   Reclassification   Reclassification   Reclassification   Reconciliation of carrying amount   Reconciliation   Rec	Refer Note 4.9. Investment properties include Directors of the Co-Operative consider the pro-						
Change in fair value	-				7,200,00	00 ! -	
Note 15: Property, Plant & Equipment Reconciliation of carrying amount         Plant and plant with property of the plant of carrying amount and plant and property of the plant and plant an					•	•	- 1,280,232
Pant and   Pant and					7,000,00	00	7,200,000
Balance as at 30 June 2023         Figure 1         Vehicle 2         Construction 3         Total 3,882,256           Gross carrying amount 6         1,772,627         5,392,955         3,773,554         2,943,190         - 6,073,898           Accumulated depreciation and impairment loss 6         1,322,313         (2,257,962)         (1,498,623)         - 6,073,898           Act carrying amount at 30 June 2023         1,772,627         40,7064         1,515,90         1,265,95         6,002,705         7,381,190           Reclassification 6         - 6         (285,816)         - 6         2,285,816         - 6         2,285,816         - 6         2,285,816         - (0,00)           Depreciation 6         - 6         (147,185)         (286,537)         (360,878)         - 2,285,816         (0,00)           Depreciation offset         - 7,72627         3,680,962         1,537,259         1,063,725         7,188,521         2,594,410           Depreciation offset         - 7,772,627         3,680,962         1,537,259         1,788,521         2,50,40,40           Act carrying amount at 30 June 2024         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         2,000,40           Net carrying amount at 30 June 2024         1,772,627         3,680,922 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Balance as at 30 June 2023           Gross carrying amount         1,772,627         5,392,955         3,773,554         2,943,190         - 13,882,326         2,078,898         2,043,190         - 5,078,898         2,043,190         - 5,078,898         2,043,190         - 5,078,898         2,043,190         - 5,078,898         2,043,190         - 28,803,428         4,000,642         1,515,592         1,444,567         - 8,803,428         4,000,642         1,515,592         1,244,567         - 8,803,428         4,000,642         1,515,592         1,244,567         - 8,803,428         4,000,642         1,515,592         1,244,567         - 285,816         (0)         0,000,000         1,000		Lond	Duildings				Tatal
Cross carrying amount   1,772,627   5,392,955   3,773,554   2,943,190   - 13,882,326     Accumulated depreciation and impairment losses   - (1,322,313)   (2,257,962)   (1,498,623)   - (5,078,898)     Net carrying amount at 30 June 2023   1,772,627   4,070,642   1,515,592   1,444,567   - 8,803,428     Additions   - 3,285,816   3,285,816	Balance as at 30 June 2023	Lanu	buildings	Equipment	venicies	Construction	iotai
Accumulated depreciation and impairment losses         -         (1,322,313)         (2,257,962)         (1,498,623)         -         (5,078,898)           Net carrying amount at 30 June 2023         1,772,627         4,070,642         1,515,592         1,444,567         -         8,803,428           Additions         -         43,322         308,204         126,959         6,902,705         7,381,190           Reclassification         -         (285,816)         (285,817)         (360,878)         -         (794,600)           Disposals: gross carrying amount         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -		1.772.627	5.392.955	3.773.554	2.943.190	_	13.882.326
Net carrying amount at 30 June 2023         1,772,627         4,070,642         1,515,592         1,444,567         -         8,803,428           Additions         -         43,322         308,204         126,959         6,902,705         7,381,190           Reclassification         -         (285,816)         -         -         285,816         (0)           Depreciation         -         (147,185)         (286,537)         (360,878)         -         (794,600)           Disposals: gross carrying amount         -         -         -         -         (259,441)         -         (259,441)         Disposals: depreciation offset         -         -         -         112,518         -         112,518         112	, -					_	
Additions         -         43,322         308,204         126,959         6,902,705         7,881,190           Reclassification         -         (285,816)         -         -         285,816         (0)           Depreciation         -         (147,185)         (286,537)         (360,878)         -         (794,600)           Disposals: goss carrying amount         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         112,518         -         (259,441)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets         Buildings         Buildings						-	
Reclassification         -         (285,816)         -         -         285,816         (0)           Depreciation         -         (147,185)         (286,537)         (360,878)         -         (794,600)           Disposals: gross carrying amount         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         -         112,518         -         112,518           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         21,004,073           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets         Net carrying amounts         58,282         174,849         174,849           Movement during the period         Buildings         8         Buildings         2024         2023           Copening Balance         \$         \$         \$         \$         \$         \$           Rem		-				6,902,705	
Depreciation         -         (147,185)         (286,537)         (360,878)         -         (794,600)           Disposals: gross carrying amount         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         -         112,518         -         112,518           Net carrying amount at 30 June 2024         -         -         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         21,004,073           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Note 16: Right-of-use Assets         Net carrying amounts         -         (1,469,498)         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets         Net carrying amounts         -         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Movement during the period         -         58,282         174,849         263,218           Movement during the period         -         Buildings         2024         2023           Opening Balance         -         1		_		-	-		
Disposals: gross carrying amount         -         -         -         (259,441)         -         (259,441)           Disposals: depreciation offset         -         -         -         112,518         -         112,518           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Balance as at 30 June 2024         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         21,004,073           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         21,004,073           Note 16: Right-of-use Assets         Net carrying amounts         58,282         174,849         174,849           Movement during the period         Buildings         Buildings         Buildings         2024         2023           \$         \$         \$         \$         \$         \$           Opening Balance         174,849         263,218         \$         \$           Opening Balance         174,849         26		_		(286,537)	(360,878)	-	
Disposals: depreciation offset	·	_		-		_	
Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Balance as at 30 June 2024         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         21,004,073           Accumulated depreciation and impairment losses         - (1,469,498)         (2,544,498)         (1,746,983)         - (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets Net carrying amounts Buildings         58,282         174,849           Movement during the period         Buildings         Buildings         Buildings           Copening Balance         \$         \$         \$           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)		-	-	-		-	
Gross carrying amount         1,772,627         5,150,460         4,081,757         2,810,708         7,188,521         21,004,073           Accumulated depreciation and impairment losses         -         (1,469,498)         (2,544,498)         (1,746,983)         -         (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets Net carrying amounts Buildings Buildings  Movement during the period         58,282         174,849           Movement during the period         Buildings 2024         2023 \$ \$ \$ Opening Balance Remeasurement Depreciation         174,849         263,218           Remeasurement Depreciation         (116,567)         (110,927)		1,772,627	3,680,962	1,537,259		7,188,521	15,243,094
Accumulated depreciation and impairment losses         - (1,469,498)         (2,544,498)         (1,746,983)         - (5,760,979)           Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets Net carrying amounts Buildings         58,282         174,849           Movement during the period         Buildings         Buildings         Buildings           Copening Balance         \$         \$         \$           Remeasurement         22,558         174,849         263,218           Depreciation         (116,567)         (110,927)	Balance as at 30 June 2024						
Net carrying amount at 30 June 2024         1,772,627         3,680,962         1,537,259         1,063,725         7,188,521         15,243,094           Note 16: Right-of-use Assets         Net carrying amounts         Buildings         58,282         174,849           Movement during the period         Buildings               2024         2023           \$         \$         \$         \$           Opening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)	Gross carrying amount	1,772,627	5,150,460	4,081,757	2,810,708	7,188,521	21,004,073
Note 16: Right-of-use Assets         Net carrying amounts       58,282       174,849         Movement during the period       Buildings       Buildings         Buildings       Buildings       Puildings         2024       2023       \$       \$         Opening Balance       174,849       263,218       Remeasurement       -       22,558         Depreciation       (116,567)       (110,927)	Accumulated depreciation and impairment losses	-	(1,469,498)	(2,544,498)	(1,746,983)	-	(5,760,979)
Net carrying amounts           Buildings         58,282         174,849           Movement during the period           Buildings         Buildings           2024         2023           \$         \$           Opening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)	Net carrying amount at 30 June 2024	1,772,627	3,680,962	1,537,259	1,063,725	7,188,521	15,243,094
Buildings       58,282       174,849         Movement during the period       Buildings       Buildings         2024       2023         \$       \$         Opening Balance       174,849       263,218         Remeasurement       -       22,558         Depreciation       (116,567)       (110,927)	_						
Buildings         Buildings           2024         2023           \$         \$           Opening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)					58,28	32	174,849
Buildings         Buildings           2024         2023           \$         \$           Opening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)	Movement during the period						
Copening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)	Movement during the period				D		Decilalia aa
Opening Balance         174,849         263,218           Remeasurement         -         22,558           Depreciation         (116,567)         (110,927)						_	_
Remeasurement       -       22,558         Depreciation       (116,567)       (110,927)						\$	\$
Depreciation (116,567) (110,927)	Opening Balance				174,84	•	263,218
Depreciation (116,567) (110,927)	Remeasurement				-		22,558
	Depreciation				(116,56	67)	
	Closing Balance				-		174,849

## Depreciation

Right-of-use assets are depreciated using the straight line method from the commencement date of the lease term.

Note 17: De	ferred	l Tax A	Assets /	(Lia	bilities	١
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Note 17. Deferred Tax Assets / (Liabilities)	Net balance at 01	Recognised in	Net balance as at
	July 2023	profit or loss	30 June 2024
Investment property	, (923,389)	27,301	(896,088)
Right-of-use asset	(52,456)	34,970	(17,485)
Equity securities	84,192	(56,807)	27,386
Provisions	323,041	(36,421)	286,621
Trade and other receivables	36,790	(483,378)	(446,589)
Trade and other payables	384,583	483,943	868,525
Lease asset	(323,279)	82,563	(240,716)
Lease liabilities	375,287	(119,059)	256,229
Tax asset / (liability) - set-off	(95,230)	(66,888)	(162,118)
		2024	2023
		\$	\$
Note 18: Intangible Assets			
Preliminary expenses		55	55
Trademarks		1,715	1,715
Goodwill at cost	_	1,003,661	1,003,661
	=	1,005,431	1,005,431
Note 19: Payables			
Current			
Trade creditors		10,377,433	10,221,463
Accrued expenses		1,760,258	1,281,942
	<del>-</del>	12,137,690	11,503,404
Note 20, Lease Lightlities	=		
Note 20: Lease Liabilities Secured			
Current		337,152	386,029
Non-current		516,941	864,926
	-	854,093	1,250,955
	=	,,,,,,	, ==,,,,,

## Significant leasing arrangements

The Co-Operative leases land and buildings. Lease liabilities represent the discounted future rental payments payable by the Co-Operative under the leasing instrument using the Co-Operatives incremental borrowing rate of 3.72%.

## Leased property includes:

- Property with a negotiated term of 15 years. CPI increases are applied annually with a market evaluation conducted every 5 years. The lease includes 4x 5 year options, totalling 20 years. The initial term expires in March 2027. The Co-Operative has not recognised the extension options in the lease liability, as it is not reasonably certain they will be exercised.
- Property with a negotiated term of 4.5 years. CPI increases are applied annually. The lease expires in December 2024.

## **Future minimum lease payments**

The future minimum undiscounted lease payments arising under the company's lease contracts at the end of the reporting period are as follows:

- Not longer than one year	377,975	440,655
- Longer than one but not longer than five years	544,209	922,184
	922,184	1,362,839

## Short-term leases and leases of low-value assets

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Company has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'Property and occupancy expenses' in the profit and loss.

A short-term & low-value lease expense of \$219,736 (FY2023: \$225,627) has been recognised.

	2024	2023
	\$	\$
Note 21: Interest Bearing Liabilities		
Current		
Asset purchase liability	181,537	212,330
	181,537	212,330
Non-current		
Asset purchase liability	184,245	365,512
	184,245	365,512
	365,782	577,842
Asset purchase liabilities are secured over vehicles with a carrying value of \$4 6.12%. Repayments are made by equal instalments over a 3-4 year term.	458,219. Interest rates range	between 4.77-
Note 22: Provisions		
Current		
Employee entitlements	817,447	884,756
Non-current		
Employee entitlements	137,956	192,050
	955,403	1,076,806
Number of employees at year end:	143	144
Note 23: Current tax liabilities		
Current		
Income tax payable (refundable)	39,511	(156,366)
Note 24: Contributed Equity		
3,500 (2023: 3,300) fully paid ordinary shares	7,000	6,600
Share Capital	Ordinary Shares	\$
In issue at 1st July 2023	3,300	6,600
Issued for cash	550	1,100
Redeemed for cash	(350)	(700)
In issue at 30th June 2024 - fully paid	3,500	7,000

<sup>(</sup>a) On the winding-up of the Co-operative, members participate in any surplus in proportion to the member's shareholding.

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

## **Note 25: Retained Profits**

Retained profit at the beginning of the financial year	56,080,988	52,069,832
Profit from ordinary activities after income tax expense	2,633,628	4,011,157
Transfer from reserves		
Retained profit at the end of the financial year	58,714,616	56,080,988
Franking account balance (tax paid basis)	14,576,494	14,147,222

## Note 26: 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.

## Lease - Spreyton IGA

The Co-Operative is the head lessee of the Spreyton IGA building. An entity associated with Director Michael Baxter is the property 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. The head lease expires in March 2027, with 4x5 year options. A lease liability of \$802,388 has been recognised on the balance sheet with the same recognised as a lease receivable from the sublease. The Right-of-Use Asset associated with the lease was derecognised upon recognition of the lease receivable from the sub-lease.

## Lease - St Helens IGA

The Co-Operative owns the St Helens Central shopping complex, at which both the St Helens IGA and Tasmania Shop are tenants. An entity associated with Director Kemuel Wood, Casmek Investments Pty Ltd, is the lessee of both the tenancies. Neither lease was entered into while Mr Wood was a director of the Co-Operative. The terms of the lease were negotiated on commercial terms and are not considered favourable to the tenant. The current lease term for the IGA expires in 2025, with options to extend until 30 June 2055. The current lease term for the Tasmania Shop expires on 01 March 2029, with an option to renew for a further 5 years. Rent for the year ended 30 June 2024 totalled \$478,516 (plus on-costs) for both tenancies (FY 2023: \$448,402). Casmek Investments Pty Ltd invoices TIR for cleaning of common areas of the Shopping Complex. This totalled \$19,963 for the year inclusive of on-charges for incidental expenditure incurred.

## Note 27: 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 cooperative'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.

	30-June-2024			
_	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets	187,162	5,140,079	-	5,327,241
Investment property	-	<u> </u>	7,000,000	7,000,000
_	187,162	5,140,079	7,000,000	12,327,240
		<b>30</b> -Ju	ne-2023	
_	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				

4,683,667

4,683,667

4,877,437

7,200,000

12,077,437

7,200,000

7,200,000

193,770

193,770

Financial assets

Investment property

## Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities:

	2024	2023
Financial assets measured at fair value through profit or loss		
Equity securities	5,327,241	4,877,437
	5,327,241	4,877,437
Financial assets measured at amortised cost		
Cash and cash equivalents	11,060,660	15,498,749
Trade receivables	6,895,815	6,956,625
Loans to other corporations	195,225	267,902
Loan to an associate	399,600	399,600
	18,551,300	23,122,876
Financial liabilities measured at fair value through profit or loss		
	-	-
Financial liabilities measured at amortised cost		
Secured bank loans	365,782	577,842
Trade payables	12,137,690	11,676,907
Trade payables	12,137,030	11,070,307
	12,503,472	12,254,749

## FINANCIAL REPORT NOTES TO THE FINANCIAL STATEMENTS

## Note 28: 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 as a director during the financial year:

Name	Position	Director fee
		30-June-2024
Michael Baxter	Chairman	35,581
Kemuel Wood	Director	12,427
Brett Mackay	Director	12,706
Chris Hill	Director	6,144
Mark Colson	Director	14,940
John Hosken	Director	8,657
	Total directors' remuneration	90,453
		30-June-2023
Michael Baxter	Chairman	30,834
Kemuel Wood	Director	12,179
Brett Mackay	Director	9,531
Chris Hill	Director	9,531
Mark Colson	Director	9,531
	Total directors' remuneration	71,606

## FINANCIAL REPORT NOTES TO THE FINANCIAL STATEMENTS

## Key management personnel (KMP) remuneration

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

The employment terms and conditions of KMP 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 KMP is reviewed annually which includes a review of the remuneration package.

The following table discloses the remuneration details for persons that acted in a KMP position during the financial year, for the period in which they acted as a KMP:

Name	Position	Gross Salary	Super- annuation	Motor Vehicle	Other	Other Non- Cash Benefits	Total Remun- eration
				30-June-2024	1		
Drew Freeman	CEO - started 03/11/2023						
Grant Hinchcliffe	CEO - finished 11/08/2023						
Glenn Sullivan	GM Operations from 11/12/2023 - Head of Island Fresh						
	Produce until 11/12/2023						
Josie Cattermoul	GM Merchandise & Marketing - started 05/02/2024						
Joel Zamek	Head of Merchandising & Supplier Engagement - finished 26/10/2023						
Mitchell Kay	Head of Finance						
Nicole McCullagh	GM People & Safety						
Stuart Robins	GM Corporate Services - started 18/03/2024						
Josh Cresswell	Head of Island Fresh Produce - started 11/12/2023						
Gary Sutherland	Head of Promotions, Special Projects & Insights - finished 29/03/2024						
Travis Allen	Head of Marketing						
Tim Bednarz	Head of Information & Retail Technology						
Amber Milbourne	Head of Promotions - started 17/02/2024 - finished 28/06/2024						
Melissa Axford	Safety, Health & Environment Specialist - finished 12/07/2023						
		1,636,625	151,440	64,830	18,998	(139,117)	1,732,777
				30-June-2023	,		
Grant Hinchcliffe	CEO			50-June-202:	•		
Glenn Sullivan	Head of Island Fresh Produce						
Joel Zamek	Head of Merchandising & Supplier Engagement						
Craig Smith	Head of Member Services (finished 11/10/2022)						
Richard Oliver	Head of Member Operations (finished 21/10/2022)						
Mitchell Kay	Head of Finance						
Nicole McCullagh	Head of People & Culture						
Gary Sutherland	Head of Promotions, Special Projects & Insights						
Travis Allen	Head of Marketing						
Tim Bednarz	Head of Information & Retail Technology						
Melissa Axford	Safety, Health & Environment Specialist						
		1,535,660	152,651	18,943	-	(16,454)	1,690,801

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

<sup>&</sup>lt;sup>2</sup> Superannuation means the contribution to the superannuation fund of the individual, excluding salary sacrifice amounts included in Gross Salary.

<sup>&</sup>lt;sup>3</sup> Vehicle costs represent the total cost of private use of vehicles provided to executives as part of their remuneration, or full allowance provided where the allowance is a set amount not determined by actual use.

<sup>&</sup>lt;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.

 $<sup>^{\</sup>rm 5}$  Other non-cash benefits include movements in provisions for annual leave and long service leave.

# **Directors' Declaration**

The directors of the co-operative declare that:

- 1. the financial statements and notes of the co-operative are in accordance with the Co-operatives National Law (Tasmania) Act 2015, including:
  - a. giving a true and fair view of the co-operative's financial position as at 30 June 2024 and of its performance for the year ending on that date; and
  - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Regulations.
- 2. 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.

Signed in accordance with a resolution of the directors made pursuant to section 273(5)(a) of Cooperatives National Law (Tasmania) Act 2015.

**Brett Mackay** 

Michael Baxter

Dated: 31/10/2024



# Auditor's Independence Declaration

## To the Directors of Tasmanian Independent Retailers Co-Operative Society Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Tasmanian Independent Retailers Co-Operative Society Ltd for the financial year ended 30 June 2024 there have been:

- no contraventions of the auditor independence requirements as set out in the Cooperatives National Law (Tasmania) Act 2015 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

EPMG

**KPMG** 

Sascha Adams

Partner

1 November 2024

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# Independent Auditor's Report

## To the Directors of Tasmanian Independent Retailers

## **Opinion**

We have audited the *Financial Report* of Tasmanian Independent Retailers (the Co-Operative).

In our opinion, the accompanying Financial Report of the Co-Operative is in accordance with the Co-operatives National Law (Tasmania) Act 2015, including:

- giving a true and fair view of the Co-Operative's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards- Simplified Disclosures

The Financial Report comprises:

- Statement of financial position as at 30 June 2024;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

## **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report.

We are independent of the Co-Operative in accordance with the Co-Operatives National Law (Tasmania) Act 2015 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## Other Information

Other Information is financial and non-financial information in Tasmanian Independent Retailers' annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the the Co-operatives National Law (Tasmania) Act 2015, including giving a true and fair view of the financial position and performance of the Co-Operative, and in compliance with Australian Accounting Standards -Simplified Disclosures and the Co-operatives National Law (Tasmania) Act 2015.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view of the financial position and performance of the Co-Operative, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Co-Operative's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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 is 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. They 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 the Financial Report.



A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors\_responsibilities/ar3.pdf This description forms part of our Auditor's

Report.

EPMG

**KPMG** 

Sascha Adams

Partner

Hobart

1 November 2024

# **Notes**

# **Notes**

# **2024 Awards of Excellence Winners**

AWARD	WINNER
TORE OF THE YEAR AWARD WINNERS	
Large Format Store of the Year 2024	IGA Bay of Fires (St Helens)
Medium Format Store of the Year 2024	Hill Street Grocer IGA Sandy Bay
Small Format Store of The Year 2024	Baxter's IGA Xpress Sandy Bay
PEPARTMENT OF THE YEAR AWARD WINNERS	
Small format Fresh Award	Hill Street Grocer IGA Xpress West Hobart
Small format Grocery & Perishable Award	Baxter's IGA Xpress Sandy Bay
Medium format Delicatessen Award	Hill Street Grocer IGA Blackmans Bay
Medium format Meat Department Award	Hilly's IGA St Helens
Medium format Bakery Award	Wilkes IGA Beaconsfield
Medium Fresh Produce Award	Hill Street Grocer IGA Sandy Bay
Medium Grocery & General Merchandise Award	IGA Bridport
Medium Dairy & Freezer Award	IGA Norwood
Large Format Delicatessen Award	Hill Street Grocer IGA Devonport
Large Format Meat Award	Bay of Fires IGA St Helens
Large Format Bakery Award	Baxters IGA Prospect
Large Format Fresh Produce Award	Hill Street Grocer IGA Latrobe
Large Format Grocery & General Merchandise Award	Hill Street Grocer IGA Latrobe
Large Format Dairy & Freezer Award	Bay of Fires IGA St Helens
UPPLIER AWARD WINNERS	
Grocery Supplier of the Year	Coca-Cola Europacific Partners
Chilled or Frozen Supplier of the Year	Fonterra Australia
Fresh Supplier of the Year	J.C.'s Quality Foods
Advancing Supplier Partner	Boundary Bend Olives
Store Development Supplier of the Year	Frame Works AFM
Overall Supplier of the Year	Fonterra Australia
PECIALITY AWARD WINNERS	
TIR Values Award	Todd Johnston
Sam Richardson Perpetual Award	Josi Cowen - IGA Xpress Seabreeze Nubeena
Rising Star Award	Thomas Saunders – Baxter's IGA Sandy Bay
Transformation & Innovation Award	Patrick's IGA Strahan

