

# **The Community Co-operative Store (Nuriootpa) Limited**

**Financial Statements**

**For the Year Ended 31 January 2011**

# The Community Co-operative Store (Nuriootpa) Limited

For the Year Ended 31 January 2011

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# **The Community Co-operative Store (Nuriootpa) Limited**

**KENNEDY & Co**  
Chartered Accountants

## **Independent Audit Report to the members of The Community Co-operative Store (Nuriootpa) Limited**

### **Report on the Financial Report**

We have audited the accompanying financial report of The Community Co-operative Store (Nuriootpa) Limited, which comprises the statement of financial position as at 31 January 2011, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the The Community Co-operative Store (Nuriootpa) Limited and the entities it controlled at the year's end or from time to time during the financial year.

### **Directors' Responsibility for the Financial Report**

The directors of the co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the co-operative's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

# **The Community Co-operative Store (Nuriootpa) Limited**

**KENNEDY & Co**  
Chartered Accountants



## **Independent Audit Report to the members of The Community Co-operative Store (Nuriootpa) Limited**

### **Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of The Community Co-operative Store (Nuriootpa) Limited on 26 January 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.

### **Auditor's Opinion**

In our opinion the financial report of The Community Co-operative Store (Nuriootpa) Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the co-operative's financial position as at 31 January 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

### **Kennedy & Co Chartered Accountants**

**Paul Victor Jorgensen FCA**

**Auditor, Managing Partner**

Unley, South Australia

Date 21<sup>st</sup> April 2011

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

Your directors present their report on the Co-operative and its controlled entities for the financial year ended 31 January 2011.

### 1. General information

#### Directors

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

Ashmead, Cameron A	Chairman	
Clarke, Samuel D	Deputy Chairman	(Appointed 15 April 2010)
Andrews, Neville J	Director	
Ewing, Guy H	Director	(Appointed 16 June 2010)
Fuller, Peter A	Director	
Hampel, Kenneth R	Director	(Resigned 8 April 2010)
Hill-Smith, Annabel M	Director	(Resigned 12 April 2011)
Knight, Peter L	Director	(Resigned 16 June 2010)
Newland, Katherine A	Director	(Appointed 14 April 2011)
Obst, David G	Director	(Resigned 23 March 2011)
Schmaal, Phillip M	Director	(Appointed 12 April 2011)

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

#### Principal Activities

The principal activity of the Group during the financial year was retailing.

No significant change in the nature of these activities occurred during the year.

### 2. Business review

#### Operating Results

The consolidated profit of the Group after providing for income tax and eliminating minority equity interests amounted to \$ 439,871 (2010:\$ 603,412).

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

### RESULTS OF OPERATIONS/APPROPRIATIONS TO MEMBERS:

	Economic Entity		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Net Sales Turnover (excluding GST)	<b>59,168,124</b>	57,935,733	<b>59,168,124</b>	57,935,733
Operating Surplus for Year				
Before Appropriations	<b>1,399,188</b>	1,594,306	<b>1,394,820</b>	1,584,058
Appropriations to Members				
- Interest on Share Capital	<b>(200,237)</b>	(183,748)	<b>(200,237)</b>	(183,748)
- Rebate on Qualifying Purchases	<b>(522,363)</b>	(519,250)	<b>(522,363)</b>	(519,250)
	<b>676,588</b>	891,308	<b>672,220</b>	881,060
Income Tax	<b>(236,717)</b>	(287,896)	<b>(236,717)</b>	(287,896)
Net Profit from Ordinary Activities	<b>439,871</b>	603,412	<b>435,503</b>	593,164

### SHARE CAPITAL MOVEMENTS:

Balance 1/02/2010	Capital Invested	Capital Withdrawn or Notice of Withdrawal given	Balance 31/01/2011
\$3,341,222	\$383,752	\$270,868	\$3,454,106

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

### 3. Review of Other Operations

#### Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

#### After balance day 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 Group, the results of those operations or the state of affairs of the Group in future financial years.

#### Likely Developments

The economic entity expects to maintain the present status and level of operations and hence there are no likely developments in the economic entity's operations.

#### Environmental Issues

The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

#### Dividends Paid or Recommended

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

### 4. Director Information

#### Information on Directors

Ashmead, Cameron A	Chairman
Qualifications	B.Comm, G.A.I.C.D.
Experience	Chairman since June 2010, Board Member since 2005
Number of Shares	19,871
Clarke, Samuel D	Deputy Chairman
Qualifications	F CPA, B.Comm
Experience	Board Member appointed 15/04/2010
Number of Shares	62

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

### Information on Directors (Continued)

Andrews, Neville J	Director
Qualifications	Business Manager
Experience	Board Member since 1997
Number of Shares	2,945
Ewing, Guy H	Director
Qualifications	D.Pharm, A.I.C.D.
Experience	Board Member since June 2010
Number of Shares	321
Fuller, Peter A	Director
Qualifications	BA, Dip.Ed., M.P.R.I.A.
Experience	Board Member since April 2000
Number of Shares	64
Hampel, Kenneth R	Director
Qualifications	Insurance Agent
Experience	Board Member since 1996, Resigned 08/04/2010
Number of Shares	2,663
Hill-Smith, Annabel M	Director
Qualifications	Public Relations, Dip.Ed
Experience	Board Member since 2006, Resigned 12/04/2011
Number of Shares	937
Newland, Katherine A	Director
Qualifications	Marketing Consultant
Experience	Board member appointed 14/04/2011
Number of Shares	139
Knight, Peter L	Director
Qualifications	Extensive retail background
Experience	Deputy Chairman from 1996-2008, Board Member since 1993, Resigned 16/6/2010
Number of Shares	1,873
Obst, David G	Director
Qualifications	FCCA, ACIS, AAIM
Experience	Board Member since 1976, Chairman 1988-2010, Resigned 23/3/2011

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

### Information on Directors (Continued)

Number of Shares	5,324
Schmaal, Phillip M	Director
Qualifications	MBA, Dip C.M., MAICD, ACIS.
Experience	Board Member Appointed 12/04/2011
Number of Shares	99

### Meetings of Directors

During the financial year, 19 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Ashmead, Cameron A	13	12	6	6
Clarke, Samuel D	10	8	4	4
Andrews, Neville J	13	13	2	2
Ewing, Guy H	8	6	-	-
Fuller, Peter A	13	11	-	-
Hampel, Kenneth R	2	1	-	-
Hill-Smith, Annabel M	13	10	-	-
Knight, Peter L	4	4	-	-
Obst, David G	13	12	6	4

### Options

No options over issued shares or interests in the Co-operative or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

### Directors' Benefits

No Director since the end of the previous financial year has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or a related corporation with the member or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest other than as shown in the group accounts or received as a fixed salary of a full-time employee. An exception to this are the normal professional service fees paid to Fuller Communications, a firm in which Mr P.A. Fuller, a Director of the Co-operative, is a Director.

### Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the economic entity with the exception of the following:

During the financial year, the Co-operative paid a premium of \$15,360 in respect of contracts insuring all the Directors and Officers of the Co-operative under a Director's and Officer's Liability insurance policy.

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Report

31 January 2011

### Information on Directors (Continued)

Proceedings on Behalf of the economic entity

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

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

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

Chairman: .....  
Ashmead, Cameron A

Deputy Chairman: .....  
Clarke, Samuel D

Dated this 20<sup>th</sup> day of April 2011

# The Community Co-operative Store (Nuriootpa) Limited



## Directors' Declaration

The directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 11 to 28, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 January 2011 and of the performance for the year ended on that date of the Co-operative and consolidated group.
2. In the directors opinion, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

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

Chairman: .....  
Ashmead, Cameron A

Deputy Chairman: .....  
Clarke, Samuel D

Dated this 20<sup>th</sup> day of April 2011

# The Community Co-operative Store (Nuriootpa) Limited

## Income Statement

For the Year Ended 31 January 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$	\$	\$	\$
Revenue	2	<b>60,033,251</b>	58,606,979	<b>59,936,560</b>	58,506,065
Changes in inventories		<b>327,059</b>	(70,850)	<b>327,059</b>	(70,850)
Cost of goods sold		<b>(44,694,132)</b>	(43,462,475)	<b>(44,694,132)</b>	(43,462,475)
Employee benefits expense		<b>(8,997,028)</b>	(8,798,663)	<b>(8,997,028)</b>	(8,798,663)
Depreciation and amortisation expense	3	<b>(1,004,204)</b>	(797,922)	<b>(1,000,809)</b>	(794,582)
Other expenses		<b>(3,787,696)</b>	(3,462,953)	<b>(3,698,768)</b>	(3,375,626)
Finance costs	3	<b>(478,062)</b>	(419,811)	<b>(478,062)</b>	(419,811)
<b>Profit from ordinary activities before Appropriations to Members</b>		<b>1,399,188</b>	1,594,306	<b>1,394,820</b>	1,584,058
Rebates to Members		<b>(522,363)</b>	(519,250)	<b>(522,363)</b>	(519,250)
Interest on Share Capital		<b>(200,237)</b>	(183,748)	<b>(200,237)</b>	(183,748)
<b>Profit from ordinary activities before income tax expense (income tax revenue)</b>		<b>676,588</b>	891,308	<b>672,220</b>	881,060
Income tax revenue (income tax expense) relating to ordinary activities	4	<b>(236,717)</b>	(287,896)	<b>(236,717)</b>	(287,896)
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>439,871</b>	603,412	<b>435,503</b>	593,164

The accompanying notes form part of these financial statements.

# The Community Co-operative Store (Nuriootpa) Limited

## Statement of Financial Position

31 January 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	1,175,135	310,647	1,166,199	296,053
Trade and other receivables	7	968,992	932,413	951,953	922,345
Inventories	8	6,468,190	6,141,131	6,468,190	6,141,131
Current tax receivable		325,034	325,452	325,034	325,452
Other assets	10	369,157	413,091	336,662	381,230
<b>Total current assets</b>		<b>9,306,508</b>	<b>8,122,734</b>	<b>9,248,038</b>	<b>8,066,211</b>
<b>Non-current assets</b>					
Trade and other receivables		16,754	119,877	16,754	119,877
Financial assets		97,959	93,610	347,958	343,610
Property, plant and equipment	9	42,291,635	42,772,775	36,787,776	37,268,932
<b>Total non-current assets</b>		<b>42,406,348</b>	<b>42,986,262</b>	<b>37,152,488</b>	<b>37,732,419</b>
<b>TOTAL ASSETS</b>		<b>51,712,856</b>	<b>51,108,996</b>	<b>46,400,526</b>	<b>45,798,630</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	11	3,877,908	3,798,879	3,877,532	3,798,201
Borrowings	12	7,465,508	5,173,474	7,465,508	5,173,474
Current tax liabilities		17,657	(148,611)	17,657	(148,611)
Short-term provisions	13	960,408	937,494	960,408	937,494
Other financial liabilities	14	-	-	(4,642,220)	(4,644,320)
<b>Total current liabilities</b>		<b>12,321,481</b>	<b>9,761,237</b>	<b>7,678,885</b>	<b>5,116,238</b>
<b>Non-current liabilities</b>					
Borrowings	12	1,600,000	4,100,000	1,600,000	4,100,000
Deferred tax liabilities		4,959,345	4,959,345	4,897,445	4,897,445
Other long-term provisions	13	86,764	95,903	86,764	95,903
<b>Total non-current liabilities</b>		<b>6,646,109</b>	<b>9,155,248</b>	<b>6,584,209</b>	<b>9,093,348</b>
<b>TOTAL LIABILITIES</b>		<b>18,967,590</b>	<b>18,916,485</b>	<b>14,263,094</b>	<b>14,209,586</b>
<b>NET ASSETS</b>		<b>32,745,266</b>	<b>32,192,511</b>	<b>32,137,432</b>	<b>31,589,044</b>
<b>EQUITY</b>					
Issued capital		3,454,106	3,341,222	3,454,106	3,341,222
Reserves		14,169,513	14,169,513	14,015,974	14,015,974
Retained earnings		15,121,647	14,681,776	14,667,352	14,231,848
<b>TOTAL EQUITY</b>		<b>32,745,266</b>	<b>32,192,511</b>	<b>32,137,432</b>	<b>31,589,044</b>

The accompanying notes form part of these financial statements.

# The Community Co-operative Store (Nuriootpa) Limited

## Statement of Cash Flows

For the Year Ended 31 January 2011

	Note	Consolidated		Parent	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts from customers		<b>59,973,558</b>	58,630,376	<b>59,886,877</b>	58,523,613
Payments to suppliers and employees		<b>(57,678,387)</b>	(56,113,804)	<b>(57,591,558)</b>	(56,008,928)
Appropriations to Members		<b>(522,363)</b>	(519,250)	<b>(522,363)</b>	(519,250)
Interest received		<b>17,728</b>	9,245	<b>17,728</b>	9,245
Borrowing costs		<b>(320,492)</b>	(277,355)	<b>(320,492)</b>	(277,355)
Income tax paid		<b>(68,705)</b>	(621,173)	<b>(68,705)</b>	(621,173)
<b>Net cash provided by operating activities</b>	17(a)	<b>1,401,339</b>	1,108,039	<b>1,401,487</b>	1,106,152
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		<b>8,636</b>	31,108	<b>8,636</b>	31,108
Payment for property, plant and equipment		<b>(530,678)</b>	(4,451,711)	<b>(527,268)</b>	(4,446,570)
Payment for investments		<b>(4,348)</b>	(17,544)	<b>(4,348)</b>	(17,544)
Decrease in deposit		<b>103,123</b>	-	<b>103,123</b>	-
Loan to related entity		-	-	<b>2,100</b>	(11,193)
<b>Net cash used in investing activities</b>		<b>(423,267)</b>	(4,438,147)	<b>(417,757)</b>	(4,444,199)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Proceeds from share issue		<b>127,868</b>	551,968	<b>127,868</b>	551,968
Decrease/(Increase) in Members Rebate & Interest deposits		<b>58,548</b>	(22,745)	<b>58,548</b>	(22,745)
(Decrease)/Increase in Borrowings		<b>(300,000)</b>	2,400,000	<b>(300,000)</b>	2,400,000
<b>Net cash provided by/(used in) financing activities</b>		<b>(113,584)</b>	2,929,223	<b>(113,584)</b>	2,929,223
Net increase/(decrease) in cash held		<b>864,488</b>	(400,885)	<b>870,146</b>	(408,824)
Cash at beginning of financial year		<b>310,647</b>	711,532	<b>296,053</b>	704,877
Cash at end of financial year		<b>1,175,135</b>	310,647	<b>1,166,199</b>	296,053

The accompanying notes form part of these financial statements.

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 1 Summary of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers The Community Co-operative Store (Nuriootpa) Ltd as an individual entity and The Community Co-operative Store (Nuriootpa) Ltd and controlled entity as an economic entity. The Community Co-operative Store (Nuriootpa) Limited is a co-operative, incorporated under the Co-operatives Act 1997 and domiciled in Australia.

The financial report of The Community Co-operative Store (Nuriootpa) Limited and controlled entities, and The Community Co-operative Store (Nuriootpa) Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (b) Basis of preparation

A controlled entity is any entity controlled by The Community Co-operative Store (Nuriootpa) Ltd. Control exists where The Community Co-operative Store (Nuriootpa) Ltd has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with The Community Co-operative Store (Nuriootpa) Ltd to achieve the objectives of The Community Co-operative Store (Nuriootpa) Ltd. Details of the controlled entity are contained in Note 18.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased

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

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (c) Comparatives

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

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 1 Summary of Significant Accounting Policies (Continued)

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Costs exclude the goods and services tax.

#### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation from time to time, with annual appraisals being made by the Directors.

The independent revaluations in December 2007 were carried out by Kate Tynan AAPI, Certified Practising Valuer, B Bus Prop (Valuation). Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

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

##### Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	2.5 - 4 %	Prime Cost
Plant and equipment	5 - 50%	Prime Cost
Motor Vehicles	18.75%	Diminishing Value

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

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 1 Summary of Significant Accounting Policies (continued)

#### (g) Investments (financial assets)

Controlled Entity:

In the Co-operative's accounts, investment in the subsidiary is shown at cost and only dividend income is included in operating profit.

Other:

Other investments are stated at cost or at par and only dividend income is included in operating profit.

#### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (j) Employee benefits

Provision is made for the economic entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

#### (m) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Other revenue is recognised when the right to receive the revenue has been established.

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

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 1 Summary of Significant Accounting Policies (continued)

#### (n) Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows investing and financing activities, which are disclosed as operating cash flows.

#### (o) Rounding of Amounts

The co-operative has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest \$1.

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 2 Revenue

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Operating activities</b>				
- sale of goods (net)	<b>59,210,361</b>	57,935,733	<b>59,210,361</b>	57,935,733
- other revenue	<b>822,890</b>	671,246	<b>726,199</b>	570,332
	<b>60,033,251</b>	58,606,979	<b>59,936,560</b>	58,506,065

### 3 Profit From Ordinary Activities

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Profit (losses) from ordinary activities before income tax expense (income tax revenue) and appropriations to Members has been determined after:				
(a) Expenses:				
Cost of sales	<b>44,367,073</b>	<b>43,533,325</b>	<b>44,367,073</b>	<b>43,533,325</b>
Borrowing costs:				
- On Share Capital	<b>200,237</b>	<b>183,748</b>	<b>200,237</b>	<b>183,748</b>
- Other Persons	<b>478,062</b>	<b>419,811</b>	<b>478,062</b>	<b>419,811</b>
Total borrowing costs	<b>678,299</b>	<b>603,559</b>	<b>678,299</b>	<b>603,559</b>
Depreciation of non-current assets				
- Buildings	<b>453,815</b>	<b>357,171</b>	<b>451,659</b>	<b>355,024</b>
- Plant and equipment	<b>529,147</b>	<b>408,892</b>	<b>527,908</b>	<b>407,699</b>
- Motor vehicles	<b>21,242</b>	<b>31,860</b>	<b>21,242</b>	<b>31,860</b>
Total Depreciation	<b>1,004,204</b>	<b>797,923</b>	<b>1,000,809</b>	<b>794,583</b>
Bad Debts and Doubtful Debts				
- Trade Debtors	<b>1,814</b>	<b>547</b>	<b>1,814</b>	<b>547</b>
Remuneration of the auditors for:				
- audit or review services	<b>28,000</b>	<b>29,500</b>	<b>28,000</b>	<b>29,500</b>
- other services	<b>11,300</b>	<b>18,343</b>	<b>11,300</b>	<b>16,780</b>

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 4 Income tax expense

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:				
Prima facie income tax payable on profit from ordinary activities before income tax at 30.0% (2010 - 30.0%)	<b>202,976</b>	267,392	<b>201,666</b>	264,318
Add:				
Tax effect of:				
– Depreciation on Buildings	<b>33,797</b>	41,237	<b>33,797</b>	41,237
– other non-allowable items	<b>7,450</b>	11,792	<b>8,760</b>	11,792
	<b>244,223</b>	320,421	<b>244,223</b>	317,347
Less:				
Tax effect of:				
– Investment Allowance	-	(7,984)	-	(7,984)
– Non Taxable Income	<b>(7,506)</b>	(24,541)	<b>(7,506)</b>	(21,467)
Income tax expense attributable to profit from ordinary activities	<b>236,717</b>	287,896	<b>236,717</b>	287,896

### 5 Remuneration and retirement benefits

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>(a) Directors' remuneration</b>				
Income paid or payable to all Directors of the Co-operative by the Co-operative and any related parties	<b>125,069</b>	128,016	<b>125,069</b>	128,016

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 5 Remuneration and retirement benefits (Continued)

	Consolidated		Parent	
	2011	2010	2011	2010
Number of Directors whose income from the economic entity or any related parties was within the following bands:				
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
\$ - - \$9,999	3	0	3	0
\$10,000 - \$19,999	4	5	4	5
\$20,000 - \$29,999	2	1	2	1
\$30,000 - \$39,000	0	1	0	1

The names of Directors who have held office during the financial year are:

Ashmead, Cameron A (Chairman)  
 Clarke, Samuel D (Deputy Chairman)  
 Andrews, Neville J  
 Ewing, Guy H  
 Fuller, Peter A  
 Hampel, Kenneth R  
 Hill-Smith, Annabel M  
 Knight, Peter L  
 Obst, David G

### 6 Cash and cash equivalents

	Consolidated		Parent	
	2011	2010	2011	2010
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash on hand	<b>46,530</b>	55,180	<b>46,530</b>	55,180
Cash at bank	<b>1,128,605</b>	255,467	<b>1,119,669</b>	240,873
	<b>1,175,135</b>	310,647	<b>1,166,199</b>	296,053

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 7 Trade and other receivables

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Trade receivables	678,534	685,542	661,495	675,474
Provision for impairment	(15,000)	(15,000)	(15,000)	(15,000)
	<b>663,534</b>	670,542	<b>646,495</b>	660,474
Other receivables	305,458	261,871	305,458	261,871
	<b>968,992</b>	932,413	<b>951,953</b>	922,345

### 8 Inventories

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
At Cost				
Merchandise	6,468,190	6,141,131	6,468,190	6,141,131
	<b>6,468,190</b>	6,141,131	<b>6,468,190</b>	6,141,131

### 9 Property, plant and equipment

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
LAND AND BUILDINGS				
Freehold land				
At directors' valuation 2008	3,462,650	3,462,650	-	-
At independent valuation 2008	18,570,000	18,570,000	17,065,000	17,065,000
At cost	104,916	104,916	-	-
Total freehold land	<b>22,137,566</b>	22,137,566	<b>17,065,000</b>	17,065,000
Buildings				
At directors' valuation 2008	400,000	400,000	-	-
At independent valuation 2008	14,150,128	14,150,128	14,150,128	14,150,128
At cost	3,525,036	4,698,409	3,499,522	4,674,746
Less accumulated depreciation	(1,165,269)	(711,454)	(1,160,455)	(708,796)
Total buildings	<b>16,909,895</b>	18,537,083	<b>16,489,195</b>	18,116,078
<b>Total land and buildings</b>	<b>39,047,461</b>	40,674,649	<b>33,554,195</b>	35,181,078

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 9 Property, plant and equipment (Continued)

PLANT AND EQUIPMENT	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
At cost	<b>8,835,748</b>	7,152,389	<b>8,822,224</b>	7,140,425
Less accumulated depreciation	<b>(5,671,628)</b>	(5,142,615)	<b>(5,668,698)</b>	(5,140,923)
Total capital works in progress	<b>3,164,120</b>	2,009,774	<b>3,153,526</b>	1,999,502
Motor vehicles				
At cost	<b>216,828</b>	236,186	<b>216,829</b>	236,186
Less accumulated depreciation	<b>(136,774)</b>	(147,834)	<b>(136,774)</b>	(147,834)
Total motor vehicles	<b>80,054</b>	88,352	<b>80,055</b>	88,352
<b>Total plant and equipment</b>	<b>3,244,174</b>	2,098,126	<b>3,233,581</b>	2,087,854
<b>Total property, plant and equipment</b>	<b>42,291,635</b>	42,772,775	<b>36,787,776</b>	37,268,932

### 10 Other Assets

CURRENT	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Prepayments	<b>369,157</b>	413,091	<b>336,662</b>	381,230
	<b>369,157</b>	413,091	<b>336,662</b>	381,230

### 11 Trade and other payables

CURRENT	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Trade creditors and accruals	<b>3,794,033</b>	3,704,954	<b>3,793,657</b>	3,704,276
Loan from associates	<b>83,875</b>	93,925	<b>83,875</b>	93,925
	<b>3,877,908</b>	3,798,879	<b>3,877,532</b>	3,798,201

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 12 Borrowings

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>CURRENT</b>				
Unsecured liabilities				
Other loans	<b>3,957,056</b>	3,873,474	<b>3,957,056</b>	3,873,474
Other financial liabilities	<b>8,452</b>	-	<b>8,452</b>	-
	<b>3,965,508</b>	3,873,474	<b>3,965,508</b>	3,873,474
Secured liabilities				
Bank loans	<b>3,500,000</b>	1,300,000	<b>3,500,000</b>	1,300,000
	<b>3,500,000</b>	1,300,000	<b>3,500,000</b>	1,300,000
	<b>7,465,508</b>	5,173,474	<b>7,465,508</b>	5,173,474

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>NON-CURRENT</b>				
Secured liabilities				
Bank loans	<b>1,600,000</b>	4,100,000	<b>1,600,000</b>	4,100,000
	<b>1,600,000</b>	4,100,000	<b>1,600,000</b>	4,100,000
	<b>1,600,000</b>	4,100,000	<b>1,600,000</b>	4,100,000

### 13 Provisions

#### Analysis of Total Provisions

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current	<b>960,408</b>	937,494	<b>960,408</b>	937,494
Non-current	<b>86,764</b>	95,903	<b>86,764</b>	95,903
	<b>1,047,172</b>	1,033,397	<b>1,047,172</b>	1,033,397

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 14 Other Liabilities

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
CURRENT				
Loan to Subsidiary	-	-	(4,642,220)	(4,644,320)
	-	-	(4,642,220)	(4,644,320)

### 15 Contributed Equity

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
The Capital of the parent company consists of an unlimited number of shares of a nominal value of \$2.00 each. The maximum shareholding of any one individual Shareholder is 25,000 shares.				
The shares may be redeemed, upon application of a Member, or transferred to another Member, subject to approval of the Board of Directors.				
Paid up Capital				
Share Capital at Beginning of Year	3,341,222	2,804,238	3,341,222	2,804,238
Shares Issued 191,876 (2010: 338,737)	383,752	677,474	383,752	677,474
Shares Withdrawn 135,434 (2010: 70,245)	(270,868)	(140,490)	(270,868)	(140,490)
	<b>3,454,106</b>	<b>3,341,222</b>	<b>3,454,106</b>	<b>3,341,222</b>
Aggregate percentage holding of 20 largest Shareholders	25.6%	27.3%	25.6%	27.3%
Number of Shareholders holding:				
1 – 1,000 Shares	14,252	14,076	14,252	14,076
1001 – 25,000 Shares	150	151	150	151
Total number of Shareholders (entitled to one vote)	<b>14,402</b>	<b>14,227</b>	<b>14,402</b>	<b>14,227</b>

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 16 Capital and Leasing Commitments

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>(a) Operating Lease Commitments</b>				
Non-cancellable operating leases contracted for but not capitalised in the financial statements:				
Payable – minimum lease payments				
- between one year and five years	93,186	65,134	93,186	65,134
	<u>93,186</u>	<u>65,134</u>	<u>93,186</u>	<u>65,134</u>
<b>(b) Capital Expenditure Commitments</b>				
Capital expenditure commitments contracted for:				
- capital expenditure projects	550,000	300,000	550,000	300,000
	<u>550,000</u>	<u>300,000</u>	<u>550,000</u>	<u>300,000</u>

### 17 Cash Flow Information

#### (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Profit for the year	439,871	603,412	435,503	593,164
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit				
Depreciation	1,004,204	797,922	1,000,809	794,583
Net gain on disposal of property, plant and equipment	(1,021)	8,141	(1,021)	8,141
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	(36,609)	12,081	(30,934)	26,793
(Increase)/decrease in prepayments	42,764	(34,366)	44,568	(37,151)
(Increase)/decrease in inventories	(327,059)	70,850	(327,059)	70,850
Increase/(decrease) in trade payables and accruals	97,399	(5,289)	97,833	(5,516)
Increase/(decrease) in income taxes payable	168,014	(331,209)	168,014	(331,208)
Increase/(decrease) in provisions	13,776	(13,503)	13,776	(13,503)
	<u>1,401,339</u>	<u>1,108,039</u>	<u>1,401,487</u>	<u>1,106,153</u>

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 18 Change in Accounting Policy

The following Australian Accounting Standards issued or amended and are applicable to the association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the association does not fall within the scope of AASB 8.	1 January 2009	1 July 2009
	AASB 6: Exploration for and Evaluation of Mineral			
	AASB 102: Inventories			
	AASB 107: Cash Flow Statements			
	AASB 119: Employee Benefits			
	AASB 127: Consolidated and Separate Financial Statements			
	AASB 134: Interim Financial Reporting			
	AASB: 136: Impairment of Assets			
	AASB 1023: General Insurance Contracts			
AASB 1038: Life Insurance Contracts				
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First-time Adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset..	1 January 2009	1 July 2009
	AASB 101: Presentation of Financial Statements			
	AASB 107: Cash Flow Statements			
AASB 111: Construction Contracts				

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 18 Change in Accounting Policy (Continued)

<b>AASB Amendment</b>	<b>Standard Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for the Entity</b>
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 116: Property, Plant and Equipment AASB 138: Intangible Assets	However, there will be no direct impact to the amounts included in the association as it already capitalise borrowing costs related to qualifying assets		
AASB 123: Borrowing Costs	AASB 123: Borrowing Costs	As above	1 January 2009	1 July 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

# The Community Co-operative Store (Nuriootpa) Limited

## Notes to the Financial Statements

For the Year Ended 31 January 2011

### 19 Financial Instruments

#### (a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective		Fixed Interest Rate Maturing			
	Interest Rate		Within 1 Year		Within 2 to 5 Years	
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
Financial Liabilities:						
Bills of exchange and promissory notes	<b>6.72</b>	7.08	<b>3,500,000</b>	1,300,000	<b>1,600,000</b>	4,100,000
Share Capital	<b>6.50</b>	5.50	<b>3,454,106</b>	3,341,222	-	-
Accumulated Rebate & Interest	<b>4.50</b>	4.50	<b>3,957,056</b>	3,873,474	-	-
Total Financial Liabilities			<b>10,911,162</b>	8,514,696	<b>1,600,000</b>	4,100,000

### 20 Controlled Entities

Subsidiary: Heritage Stores Pty Ltd

Country of incorporation: Australia

Percentage owned: 100% (2010:100%)

### 21 Co-operative Details

Registered office

The registered office of the co-operative is:

The Community Co-operative Store (Nuriootpa) Limited  
3 Murray Street  
Nuriootpa South Australia