

Bowral Co-operative Limited

ABN: 60 254 390 336

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Contents

For the Year Ended 30 June 2025

	Page
Chair's Report	3
General Manager's Report	5
Directors' Report	6
Auditor's Independence Declaration under section 307C of the Corporations Act 2001	11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	29
Independent Audit Report	30

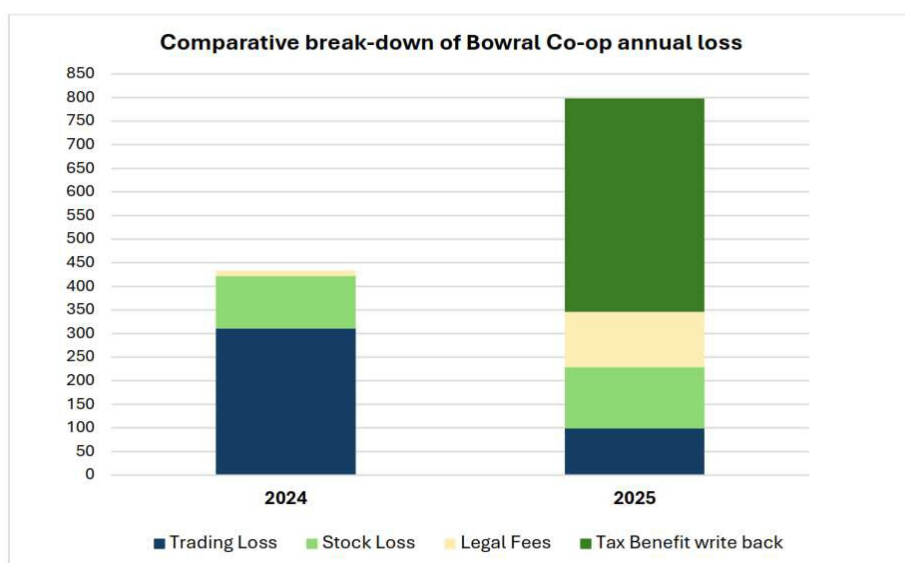
CHAIR'S REPORT 30 June 2025

Dear Members,

The Bowral Co-operative Limited is emerging from an extended period of financial difficulties. The business continues to be affected by external factors, particularly the current economic environment which is impacting consumer confidence and spending patterns.

In addition, the business over the last year has faced a series of legal challenges which have resulted in significant legal expenses, has had significant stock losses including from theft, and has needed to re-invest in work health and safety measures to bring the business in line with current legislative requirements.

It was decided to remove the accrued tax benefit of \$452K from the Balance Sheet. This benefit is still available to the Co-op, and will be reinstated when the Co-op returns to profitability. The removal of the tax benefit combined with other abnormal expenses for legal fees \$117K and a stock write-off of \$130K meant that the result for the year ended June 30 2025 was a loss of \$798K.



This year, the business has invested heavily in establishing strong governance and work health and safety platforms to protect our team and business in support of our growth strategy. We have implemented a number of plans to assist in re-building the business and to strengthen our financial position. These include better stock control and purchasing decisions, security improvements, and a restructure of our fleet and logistics.

One of the most important changes for customers is that we are in the process of consolidating operations to improve efficiency and make better use of the substantial land and building area of the Co-op site. This was identified by the Board, management and staff in 2022 as a key operational strategy for the business.

As part of the business consolidation, we are also re-evaluating our use and needs within the site, to identify a parcel that could be excised for lease to another business. This would create additional income for the business and may provide additional marketing opportunities. Establishment of an independent land parcel would also provide future contingency for the business.

We warmly welcomed another 53 new members to the Co-operative during the financial year, bringing our membership to a total of 1,449. We celebrate the diversity of business enterprises being carried out in our region and look forward to supporting all of our members, old and new, as they continue to grow their businesses.

I acknowledge the energy and commitment of our new General Manager, Mr Greg Welsh, and his excellent work in re-connecting with the community and improving our offering to members and customers.

CHAIR'S REPORT
30 June 2025

Our management team and staff have endured immense pressure over the last year and I thank them for their dedication and loyalty to the Co-op. I also thank our members who have acknowledged their work and provided kind words over this time.

I am deeply thankful to my fellow board members who have generously and tirelessly provided their expertise, time, and support to the business. It has been an honour to work alongside them through this challenging period. I look forward to continuing this work over the coming year.

The board has considered the financial position of the business taking into account all components. The board elected to not receive any payment for the year ended June 30 2025. The board has also decided to not recommend a dividend be paid for the year ended June 30 2025.

I look forward to meeting members at the AGM and will be happy to answer questions then relating to the business and its ongoing activities.

Growing together,

A handwritten signature in dark ink, appearing to read 'RHogan', written in a cursive style.

Rebecca Hogan
Chair

GENERAL MANAGER'S REPORT
30 June 2025

The Bowral Co-operative Limited did not have a full time CEO or General Manager for most of the financial year ending June 30 2025. The commentary usually provided in the General Manager's report has been incorporated for this year into the Chair's report.

The new General Manager, Mr Greg Welsh, will provide a report at the AGM documenting activities over the first quarter of the current financial year (July to September 2025), and outlining plans and strategies for future growth.

DIRECTORS' REPORT 30 June 2025

The directors of the Bowral Co-operative Limited (hereafter referred to as the Co-operative) submit herewith the annual report of the Co-operative for the financial year ended 30 June 2025.

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

Name of Directors	Position	Date of Appointment / Resignation
Anthony Butler	Chair	Resigned 5 December 2024
Rebecca Hogan	Chair (from 5 December 2024) Deputy Chair (until 4 December 2024)	
Glenn Dudley OAM	Director	Resigned 5 December 2024
Cameron Pierce	Deputy Chair (from 5 December 2024) Chair Finance & Audit Committee	Resigned 8 September 2025
Sallianne Faulkner	Director	
Andrew Negline	Director	Appointed 23 January 2025 Resigned 8 July 2025
Glenn Wallace	Director	Appointed 23 January 2025
Patrick Cleary	Director	Appointed 28 August 2025
Czeslaw Staciwa	Director	Appointed 26 September 2025

Company Secretary

Sylvia Cortez was appointed as company secretary on 1 July 2022.

Principal Activities

The Co-operative is a local provider of agricultural products and rural merchandise in the Southern Highlands of NSW. No significant changes in the nature of these activities occurred during the financial year.

Review of Operations

	Year ended 30-Jun-25 \$	Year ended 30-Jun-24 \$
The Profit/(Loss) of operations after income tax was:	(\$798,035)	(\$329,120)

Significant Changes in the State of Affairs

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

Events subsequent to the End of the Financial Period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in future financial years.

Likely developments and Expected Results of Operations

Likely developments in the operations of the Co-operative and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Co-operative.

Environmental Regulation

The Co-operative's operations are not regulated by any significant environment regulations under a law of the Commonwealth or of a state or territory of Australia.

Information on Directors

Anthony Butler

Qualifications

Experience

Tony joined the family business in 1979 and has enjoyed a 45-year career based in the events and live concert industry. He was responsible for a multinational business with 120+ staff and 100+ contractors with branches and offices in Sydney, Melbourne, Brisbane, Perth, New Zealand, Bathurst (NSW), Newcastle (NSW) and Dubai (UAE). This business was sold in 2016. In 2016 after many years of being based in Sydney for work and living and commuting to the family farm in Bathurst NSW, he and his wife decided to take the plunge and move full time to the Southern Highlands, when they purchased "Kahlua" and "Glenwood". It is here that he has transitioned full time to managing the farm for breeding beef cattle and silage manufacturing.

Special Responsibilities

Chair and Operations Support

Rebecca Hogan

Qualifications

Bachelor of Science (environmental biology) UTS, Master of Engineering Management UTS, Diploma of Governance – Institute of Community Directors, Australia.

Experience

Rebecca brings to the Board her strong understanding of the local equine industry, business and governance skills, and a long-standing dedication to the community. She has been serving on the Board for four years and is committed to ensuring the Co-op continues to grow and become a hub of support for members and the broader Highlands community. Rebecca's professional journey as an independent ecological consultant spans 29 years, primarily engaged across greater Sydney and south-eastern NSW. She is an Accredited Assessor under the NSW Biodiversity Conservation Act 2016 and a former President of the Ecological Consultants Association of NSW. Rebecca also owns and runs a horse stud at Wingello with her husband, Darren. She introduced the Shagya-Araber breed of sport horse to Australia, travelling extensively through Europe to research the breed and meet other breeders. In 2019, Rebecca received the Assessors Award for the Best Breeding Program on the Australian All Breeds Tour, awarded by visiting International Sport Horse Judge Frank Weisskirchen. In more recent years, Rebecca and Darren have started breeding Thoroughbreds and now have their first youngster about to start his racing career. Rebecca was founder and organiser of the Wingello Forest Endurance Ride, which ran over a period of twelve years and became the largest annual horse endurance event held in Australia. Rebecca is an active member of the Country Women's Association of NSW. She is President of the Exeter Branch and Secretary of the CWA of NSW State Agricultural and Environmental Committee.

Special Responsibilities

Chair and Marketing Support

Glenn Dudley OAM

Qualifications

Bachelor of Economics (Hons) Syd, FCPA.

Experience

40 year corporate career spanning investment analysis, financial controllership, international business management and 12 years as CEO and managing director of a publicly listed engineering and merchandising business. Currently operating a commercial cattle business in Robertson. Past President of the Royal Agricultural Society of New South Wales.

Special Responsibilities

Human Resources Support

DIRECTORS' REPORT (Continued)
30 June 2025

Information on Directors (Cont.)

Cameron Pierce

Qualifications

Chartered Accountant

Experience

Cameron is a Chartered Accountant with over 15 years' experience in audit, corporate finance, and funds management. He is currently the Executive Director of Global Family Investments, a private investment company focused on investing alongside family businesses. In 2017, Cameron and his wife made the decision to move to the Southern Highlands to raise their three children in a more community-based, kind environment. Cameron has a keen interest in cattle, having helped establish a small Belted Galloway breeding program at his family farm in Mount Fairy, alongside a steer fattening venture. He is currently a Director and Chair of the Audit Committee at Hawke's Brewing Co. Pty Ltd, an independent brewery formed alongside the former Prime Minister Bob Hawke. In addition, Cameron is a Director of C1 Finance Pty Ltd an alternative vehicle finance provider, based in Brisbane. Cameron hopes to bring his expertise and interest in rural operations to the Board of Bowral Co-operative Limited.

Special Responsibilities

Deputy Chair, Chair Finance & Audit Committee

Sallianne Faulkner

Qualifications

Experience

Sallianne is the general manager of a women's domestic and family violence shelter. Her family grow hazelnuts in Peelwood, NSW Central Tablelands and breed Belted Galloways. As a resident of Exeter, she loves all that the Southern Highlands lifestyle has to offer. Sallianne is a member / graduate of the Australian Institute of Company Directors. She is currently the president of Netball NSW and sits on the ClubNSW Board and a local club board. Alongside her interest in governance, Sallianne has a keen interest in people and communities and is proud that her values are aligned to the Bowral Co-op vision for our community and the ethos of contributing to something bigger.

Special Responsibilities

Governance Support

Andrew Negline

Qualifications

Experience

Andrew has more than 30 years experience in retail, food service, branding, processing, lot feeding, data capture and analysis, supply chain and logistics management in the agriculture, retail and food industry in domestic and export markets. He has held executive or managerial roles with WA Department of Agriculture and Food, Rav Agro Pro Russia, Cargill Beef Australia (USA), Hereford Prime Ltd, Meat and Livestock Australia (MLA), Jardines Dairy Farm Supermarkets (UK-HK-AUS), Uncle Ben's of Australia (Mars Inc USA), and Freehill Hollingdale and Page. As well as managing his own farming operations, Andrew has played a central role in many notable innovations in the red meat industry, including the launch of Cargill's flagship brands, "Riverine Premium" grain fed beef in 2006 and "Grasslands" grassfed beef in 2009, now the largest grassfed brand in the world; the development of Australia's most successful beef brand into the Korean market in 2001 "Hoju Chung Jung Woo"; and the introduction of boxed lamb and pork into Australian supermarkets in 1996; and is the inventor of numerous global packaging patents. Andrew, a graduate of Sydney University, has served on numerous advisory committees to major industry organisations throughout his career, including Meat & Livestock Australia and AUS-MEAT. Other positions include Deputy Mayor and councillor with Wagga Wagga City Council; councillor with Riverina Water County Council, and as treasurer of the Australian Livestock Markets Association (ALMA).

Special Responsibilities

DIRECTORS' REPORT (Continued)
30 June 2025

Information on Directors (Cont.)

Glenn Wallace

Qualifications

Graduate of the Advanced Management Business School - University of Hawaii, Diploma in Business Massey University.

Experience

Glenn has an extensive career in management spanning construction, building services, fresh produce, and manufacturing. He has been the CEO of an ASX listed company for 7 years and has worked for a multi-national building services company for 14 years, the last 5 years as Managing Director of Australia, New Zealand, and the Pacific. More recently Glenn has been involved in Private Equity and has led and managed a number of acquisitions. He has also been involved in developing and managing the operational excellence of several companies. He currently is the Chair of Euro Corporation and Inzone Holdings Group in manufacturing and construction and a Director of the Wade Group in manufacturing. He has a lifetime of involvement in agriculture and high-level Equestrian sport.

Special Responsibilities

Czeslaw Staciwa

Qualifications

Diploma in Agriculture at Wagga, Bachelor of Financial Administration degree at UNE, Masters in Applied Finance from Macquarie University, Former Fellow of the Australian Society of Practicing Accountants, Graduate of the Australian Institute of Company directors.

Experience

Czes has had a long association with both the Southern Highlands and the Southern Tablelands of NSW. In 2009 he and his wife Judy moved permanently to Sutton Forest, where they raise horses and cattle and host Airbnb guests on their property. Czes also is a keen amateur landscape photographer and enjoys singing in two local community choirs. After leaving school, Czes undertook a Diploma in Agriculture at Wagga. Later, as he pursued an agribusiness career, Czes completed a Bachelor of Financial Administration degree at UNE, followed by a Masters in Applied Finance from Macquarie University. Czes is also a former Fellow of the Australian Society of Practicing Accountants and is a graduate of the Australian Institute of Company directors. Early in his career, Czes switched from the operational side of agriculture to financial management. He was successful in improving financial control and performance at a several organisations – including Elders (where he was Commercial Manager for NSW), the NSW Barley Board and Windsor Farm Foods. Before retiring to the Highlands, Czes was Chief Financial Officer of the Australian Livestock Export Corporation. At Livecorp, Czes was able to place the organisation on a sound financial footing and he was instrumental in establishing the Livestock Reserve fund. Since moving to the Highlands, Czes has taken an active interest in the operation of the Bowral Co-Op. His understanding of the Co-Op, coupled with his financial management skills, should prove to be an asset to the Board over the next period of time.

Special Responsibilities

Patrick Cleary

Qualifications

Diploma in Business Management from UWS

Experience

Pat is a 6th generation local, born and bred on a dairy farm in Burrawang. Along with his wife Leanne and their 3 daughters, they own and operate the highly successful stock and station agency ECM LIVESTOCK in partnership with Dhugald McDowall. ECM has operated in Moss Vale, Braidwood, the South Coast and Southern Tablelands areas since 2012. As well as the Stock Agency, Pat and Leanne own and lease 1,250 acres in the Southern Highlands, breeding some 120 calves and fattening over 500 cattle annually as a contracted Grass Fed supplier to Woolworths. Pat is a keen sportsman and community member, being the current President of the Southern Highlands Hockey Association, which has over 850 members. He is also a life member of the Burrawang Bunyips, and he is a long standing member of the Burrawang Park Trust. Pat is keen to work with the high quality Bowral Co-Operative board to continue the development and improvement of the business.

Special Responsibilities

DIRECTORS' REPORT (Continued)
30 June 2025

Meetings of Directors

During the financial year, 16 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings			
	Number eligible to attend	Number Attended	Date of Resignation
Anthony Butler	4	4	26/11/2022
Rebecca Hogan	16	15	26/03/2021
Glenn Dudley OAM	4	4	23/10/2014
Cameron Pierce	16	15	12/05/2023
Sallianne Faulkner	16	13	27/03/2024
Andrew Negline	8	5	23/01/2025
Glenn Wallace	8	8	23/01/2025

Indemnification of officers or auditors

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 Bowral Co-operative Limited, with the exception of insurance premiums paid to insure each of the directors against liabilities for costs and expenses incurred by them defending any legal proceedings arising out of their conduct while acting in the capacity of officers of the company, other than conduct involving wilful breach of duty in relation to the Co-operative. The total amount of premiums during the year ended 30 June 2025 was \$12,071 (2024:\$13,195).

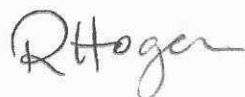
Proceedings on behalf of the Co-operative

No person has applied for leave of court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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



Rebecca Hogan
Chair

Date: 2nd Oct 2025
Bowral



Glenn Wallace
Director

Date: 2ND OCTOBER 2025

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

To the Directors of Bowral Co-operative Limited:

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Ben Fock
Registered Company Auditor

Date: 3 October 2025
Wollongong

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	3	8,108,446	10,116,341
Other Income	3	369,145	365,103
Total Revenue		8,477,591	10,481,444
Expenses			
Changes in inventories		(514,495)	188,989
Raw materials and consumables used		(5,881,602)	(8,392,509)
Employment benefits expense		(1,451,559)	(1,796,271)
Depreciation and amortisation expense	4	(147,273)	(181,467)
Marketing Expenses		(49,254)	(77,780)
Occupancy Costs		(23,872)	(28,783)
Administrative Expenses		(673,811)	(531,580)
Other Expenses		(55,002)	(74,452)
Finance Costs	4	(26,946)	(21,830)
Total Expenses		(8,823,814)	(10,915,683)
Profit/(loss) before income tax		(346,223)	(434,239)
Income tax(expense)/benefit **	5	(451,812)	105,119
Profit/(loss) after income tax		(798,035)	(329,120)
Other comprehensive income			
Items that will not be classified subsequently to Profit and Loss			
Net (loss) on derecognition of revalued buildings		-	-
Net gain on revaluation of freehold land & buildings	5	-	637,511
Other comprehensive income for the year		-	637,511
Total comprehensive income for the year		(798,035)	308,391

**The deferred tax asset of \$451,812 previously recognised in relation to deductible temporary differences and unused tax losses was derecognised during the year as the Co-operative currently does not have sufficient future taxable profits available to utilise those temporary differences and losses. This derecognition resulted in an income tax expense of \$451,812 in the Statement of Profit or Loss for the period.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

ASSETS	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	6	8,190	8,159
Trade and other receivables	7	348,345	429,533
Inventories	8	1,362,189	1,876,684
Other assets	9	22,809	120,492
Income tax refundable	10	-	-
TOTAL CURRENT ASSETS		1,741,533	2,434,868
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,977,037	4,901,062
Intangible assets	12	4,833	7,831
Deferred tax assets	13	-	451,812
Right-of-use asset	14	105,992	267,470
TOTAL NON-CURRENT ASSETS		5,087,862	5,628,175
TOTAL ASSETS		6,829,395	8,063,043
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	946,438	1,621,351
Contract liabilities	17	87,962	74,587
Employee benefits	18	160,301	125,344
Lease liabilities	19	33,054	112,879
Borrowings	20	371,975	90,100
TOTAL CURRENT LIABILITIES		1,599,730	2,024,261
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	759,465	759,465
Employee benefits	18	31,316	41,016
Lease liabilities	19	50,687	116,468
Borrowings	20	124,585	-
TOTAL NON-CURRENT LIABILITIES		966,053	916,949
TOTAL LIABILITIES		2,565,783	2,941,210
NET ASSETS		4,263,612	5,121,833
EQUITY			
Issued capital		751,471	811,117
Reserves		3,203,256	3,203,796
Retained earnings		308,885	1,106,920
TOTAL EQUITY		4,263,612	5,121,833

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	General Reserve	Capital Profits Reserve	Share Repurchase Reserve	Other Reserves	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	812,442	1,484,792	2,195,615	190,332	150,445	1,600	27,953	4,863,179
Shares issued during the year	14,615	-	-	-	-	-	-	14,615
Profit/(Loss) attributable to members of entity	-	(329,120)	-	-	-	-	-	(329,120)
Shares bought back during the year	(15,940)	-	-	-	-	-	-	(15,940)
Share deposits and increase to share repurchase reserve	-	-	-	-	-	-	340	340
Other comprehensive income	-	-	637,511	-	-	-	-	637,511
Dividends paid or provided for	-	(48,752)	-	-	-	-	-	(48,752)
Balance at 30 June 2024	811,117	1,106,920	2,833,126	190,332	150,445	1,600	28,293	5,121,833

	Ordinary Shares	Retained Earnings	Asset Revaluation Surplus	General Reserve	Capital Profits Reserve	Share Repurchase Reserve	Other Reserves	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	811,117	1,106,920	2,833,126	190,332	150,445	1,600	28,293	5,121,833
Shares issued during the year	11,800	-	-	-	-	-	-	11,800
Profit/(Loss) attributable to members of the entity	-	(798,035)	-	-	-	-	-	(798,035)
Shares bought back during the year	(71,446)	-	-	-	-	-	-	(71,446)
Share deposits and decrease to share repurchase reserve	-	-	-	-	-	-	(540)	(540)
Other comprehensive income	-	-	-	-	-	-	-	-
Dividends paid or provided for	-	-	-	-	-	-	-	-
Balance at 30 June 2025	751,471	308,885	2,833,126	190,332	150,445	1,600	27,753	4,263,612

The accompanying notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,920,973	10,439,573
Payments to suppliers & employees		(9,138,885)	(10,318,190)
Interest received	3	42	42
Finance costs	4	(26,946)	(21,830)
Net income taxes (paid) / refunded		-	-
Net cash (used in)/from operating activities	26(b)	<u>(244,816)</u>	<u>99,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for right of use asset		-	-
Payment for property, plant & equipment	11(a)	(149,230)	(66,665)
Payment for intangible assets	12(a)	-	(9,000)
Proceeds from sale of assets		102,952	2,400
Net cash from/(used in) investing activities		<u>(46,278)</u>	<u>(73,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease commitments		(55,148)	(101,904)
Proceeds from borrowings		163,078	50,000
Repayment of borrowings		(59,514)	-
Dividends paid by the entity		-	(48,752)
Share buy-back payment		(71,446)	(15,940)
Proceeds from issue of shares		11,800	14,615
Share deposits/(repurchased)		(540)	340
Net cash from/(used in) financing activities		<u>(11,770)</u>	<u>(101,641)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(302,864)	(75,311)
Cash at beginning of the year	26(a)	(31,941)	43,370
CASH AT THE END OF THE YEAR	26(a)	<u><u>(334,805)</u></u>	<u><u>(31,941)</u></u>

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Co-operative has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Co-operatives National Law (NSW), as appropriate for for-profit oriented entities.

The financial report covers Bowral Co-operative Limited ("the Co-operative") as a standalone entity. Bowral Co-operative Limited is a for-profit Co-operative, incorporated and domiciled in Australia.

The Co-operative prepares the financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Co-operative's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going Concern Assumption

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2025 the Co-operative incurred an operating loss before tax of \$346,223 (2024: \$434,239) and had negative cashflows from operating activities of \$244,816, investing activities of \$46,278 and financing activities of \$11,770. Cash at the end of the year was negative \$334,805.

During the year the Co-operative accessed bank overdraft facilities as described in Note 20. The bank overdraft facility limit is \$500,000 of which \$342,995 has been used and \$157,005 was unused at year end. The bank overdraft facility has no set term and can be cancelled at any time subject to the notice period in the terms and conditions and is repayable on demand.

The Directors have reviewed the cashflow forecasts and believe that there are sufficient grounds to believe that the Co-operative will be able to continue as a going concern due to the following factors:

- There have been one-off expenditure items outside of the usual course of business that have contributed to the Co-operatives deficits in the past financial year including:

* Legal Fees	\$ 116,565
* Obsolete stock written down	\$ 130,086

- Continued support of the Bank with its current overdraft financing facility. The Directors have no reason to believe that the facility will be withdrawn;

- The Directors are currently actively working on a strategy that has been incorporated into their forecast that would see consolidation of the Co-operatives operations to a smaller footprint on the existing site which would enable either:

- * sale of part of the existing land and buildings for a capital return assisting future cashflows; or
- * leasing of part of the land and buildings to generate additional future revenue streams.

Planning advice has been sought in relation to the ability to undertake these actions;

- A targeted stock reduction strategy has been implemented to convert particular inventory items back into cashflow and limit obsolescence of stock including the return of some inventory items to suppliers for future credits and the sale for alternate use of some inventory items at risk of obsolescence. This incorporates a change in stock ordering processes to limit carrying of excess inventory items; and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: Material accounting policy information (cont.)

Going Concern Assumption (cont.)

- A review of plant and equipment including motor vehicles and the planned disposal of assets surplus to the current operational requirements of the Co-operative.

Accordingly, the Directors believe that the Co-operative will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event the Co-operative is unsuccessful in implementing the above, a material uncertainty exists, that may cast significant doubt on the Co-operatives ability to continue as a going concern.

Revenue recognition

The Co-operative recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Co-operative is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Co-operative: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority and the Co-operative intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 1: Material accounting policy information (cont.)

Income tax (cont.)

A liability is classified as current when: it is either expected to be settled in the co-operative's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Cost of inventory is determined using the weighted average cost basis and is net of any rebates and discounts received.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying value. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the asset revaluation reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the asset revaluation reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to the profit or loss.

Plant and equipment is stated at historical costs less accumulated depreciation and impairment. Historical costs includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant & equipment (excluding land) over their expected useful lives.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.2%
Plant and Equipment	5% - 20%
Motor Vehicles	6.7% - 20%
Office Equipment	20% - 21%
Furniture & Fittings	20%

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 1: Material accounting policy information (cont.)

Impairment of non-financial assets

Non-financial assets are reviewed 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 carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Co-operative expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Co-operative has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Co-operative prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Co-operative's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Co-operative recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Co-operative has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Co-operative's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The Co-operatives obligation for short term employment benefits such as wages and salaries are recognised as part of current trade and other payables.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: Material accounting policy information (cont.)

Employee benefits (cont.)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Provisions

Provisions are recognised when the Co-operative has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of economic benefits will result and that outflow can be reliability measured.

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

NOTE 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Valuation of freehold land and buildings

The freehold land and buildings were independently valued on 18 March 2024 by Herron Todd White. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$637,511 being recognised in the asset revaluation reserve for the year ended 30 June 2024.

At 30 June 2025 the Directors have performed a Directors' valuation on the freehold land and buildings. The Directors have reviewed the key assumptions adopted by the valuer on the 18 March 2024 and do not believe there has been a significant change in the assumptions at 30 June 2025. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less cost to sell at 30 June 2025.

Useful lives of property, plant & equipment & intangibles

As described in Note 1, the Co-operative reviews the estimated useful lives of property, plant & equipment and finite life of intangible assets at the end of each annual reporting period.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if the Co-operative considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 2: Critical accounting judgements, estimates and assumptions (cont.)

Employee benefits

The current portion of this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have been vested due to employees having completed the required period of service. Based on past experience, the Co-operative does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Co-operative does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement. The non-current portion for this provision is long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

NOTE 3: Revenue and Other Income	Note	2025	2024
		\$	\$
<i>Revenue from contracts with customers</i>			
- Retail & produce sales		8,108,446	10,116,341
		<u>8,108,446</u>	<u>10,116,341</u>
<i>Other Income</i>			
- Interest received		42	42
- Rebates received		253,423	362,648
- Gain on disposal of property, plant & equipment		102,952	2,400
- Insurance Claim benefit		8,942	-
- Other income		3,786	13
		<u>369,145</u>	<u>365,103</u>
Total Revenue and Other Income		<u><u>8,477,591</u></u>	<u><u>10,481,444</u></u>

The Co-operative operates in one Geographical region: Australia.

NOTE 4: Expenses

Operating profit before tax includes the following specific expenses:

Finance Costs

- Interest expense on lease liabilities	9,122	11,008
- Interest expense other	17,824	10,822
	<u>26,946</u>	<u>21,830</u>

Superannuation

- Defined contribution superannuation expense	<u>141,044</u>	<u>170,488</u>
---	----------------	----------------

Depreciation and amortisation expense

- Depreciation on property, plant & equipment	78,897	83,665
- Depreciation on right-of-use asset	65,378	94,747
- Amortisation of intangibles	2,998	3,055
	<u>147,273</u>	<u>181,467</u>

- Bad Debts expense	(1,016)	6,687
---------------------	---------	-------

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 4: Expenses (continued)	Note	2025 \$	2024 \$
<i>Significant non-recurring expenses</i>			
- Legal fees		116,656	12,352
- Obsolete stock written down		130,086	111,095

NOTE 5: Income taxes

<i>Income tax expense</i>			
Current tax		-	-
Deferred tax	13	451,812	(105,119)
Aggregate income tax expense(benefit)		<u>451,812</u>	<u>(105,119)</u>

Reconciliation of income tax to accounting profit

Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 25% (2024: 25%)		(86,556)	(108,560)
Add:			
Tax effect of:			
- Non deductible items		4,847	3,441
- Current year tax losses and temporary timing differences not recognised as a deferred tax asset		81,709	-
- Previously recognised unused tax losses and temporary timing differences derecognised as a deferred tax asset		451,812	-
Less:			
Tax effect of:			
- Non Allowable items (cashflow boost)		-	-
Income tax expense/(benefit) **		<u>451,812</u>	<u>(105,119)</u>

**The deferred tax asset of \$451,812 previously recognised in relation to deductible temporary differences and unused tax losses was derecognised during the year as the Co-operative currently does not have sufficient future taxable profits available to utilise those temporary differences and losses. This derecognition resulted in an income tax expense of \$451,812 in the Statement of Profit or Loss for the period.

Tax effects relating to each component of other comprehensive income:

Net Gain/(Loss) on revaluation/(derecognition) of freehold land & buildings			
- Before tax amount		-	850,014
- Tax benefit(expense) at 25% (2024: 25%)		-	(212,503)
- Net of tax amount		<u>-</u>	<u>637,511</u>

NOTE 6: Cash and cash equivalents

Current			
Cash at bank		3,190	3,119
Cash on hand		5,000	5,040
	26(a)	<u>8,190</u>	<u>8,159</u>

NOTE 7: Trade and other receivables

Current			
Trade receivables		314,346	445,124
Other receivables		38,405	43
Provision for impairment		(4,406)	(15,634)
		<u>348,345</u>	<u>429,533</u>

NOTE 8: Inventories

Current			
Inventories - at cost		1,434,077	1,924,885
Provision for obsolete inventory		(71,888)	(48,201)
Stock in transit		-	-
		<u>1,362,189</u>	<u>1,876,684</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 9: Other assets	Note	2025	2024
		\$	\$
Current			
Prepayments		22,809	120,492
		<u>22,809</u>	<u>120,492</u>

NOTE 10: Income tax refundable

Current			
Income Tax Refundable		-	-
		<u>-</u>	<u>-</u>

NOTE 11: Property, plant and equipment

Land and Buildings

Freehold Land - at Fair Value (Directors' Valuation)	3,000,000	3,000,000
Buildings - at Fair Value (Directors' Valuation)	1,750,000	1,750,000
Less Accumulated depreciation	(50,966)	(12,466)
	<u>1,699,034</u>	<u>1,737,534</u>
Buildings Improvements - at cost	31,591	28,584
Less Accumulated depreciation	(743)	(60)
	<u>30,848</u>	<u>28,524</u>
Total Land & Buildings	<u>4,729,882</u>	<u>4,766,058</u>

Plant and Equipment

Plant and Equipment - at Cost	426,489	422,375
Less Accumulated depreciation	(340,055)	(313,552)
Total Plant and Equipment	<u>86,434</u>	<u>108,823</u>

Motor Vehicles

Motor Vehicles - at Cost	306,311	160,719
Less Accumulated depreciation	(160,360)	(159,860)
Total Motor Vehicles	<u>145,951</u>	<u>859</u>

Office Equipment

Office Equipment - at Cost	120,743	120,743
Less Accumulated depreciation	(106,530)	(96,243)
Total Office Equipment	<u>14,213</u>	<u>24,500</u>

Furniture & Fittings

Furniture & Fittings - at Cost	1,324	1,324
Less Accumulated depreciation	(767)	(502)
Total Furniture & Fittings	<u>557</u>	<u>822</u>

Total Property, Plant & Equipment	<u>4,977,037</u>	<u>4,901,062</u>
-----------------------------------	------------------	------------------

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property plant and equipment between the beginning and the end of the current financial year.

	Freehold Land & Building	Plant and Equipment	Motor Vehicles	Office Equipment	Furniture & Fittings	Total
Balance at the start of the year	4,766,058	108,823	859	24,500	822	4,901,062
Additions - at cost	3,008	4,113	142,109	-	-	149,230
Transfer from ROU Assets	-	-	5,642	-	-	5,642
Disposals (net)	-	-	-	-	-	-
Depreciation	(39,184)	(26,502)	(2,659)	(10,287)	(265)	(78,897)
Balance at the end of the year	<u>4,729,882</u>	<u>86,434</u>	<u>145,951</u>	<u>14,213</u>	<u>557</u>	<u>4,977,037</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 12: Intangible assets	Note	2025	2024
		\$	\$
Computer Software - at Cost		39,112	39,112
Less Accumulated amortisation		(34,279)	(31,281)
Total Intangibles Assets		<u>4,833</u>	<u>7,831</u>

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	Computer software
Balance at the end/start of the year (2024)	<u>7,831</u>
Additions	-
Disposals (net)	-
Amortisation	(2,998)
Balance at the end of the year (2025)	<u>4,833</u>

NOTE 13: Deferred tax

Deferred tax assets	Opening Balance	Charged to Income	Closing Balance
Non deductible expenses - timing differences	76,155	19,883	96,038
Capital loss carried forward	27,031	-	27,031
Tax Loss Carried Forward	259,907	68,836	328,743
Balance at 30 June 2024	<u>363,093</u>	<u>88,719</u>	<u>451,812</u>

Non deductible expenses - timing differences	96,038	(96,038)	-
Capital loss carried forward	27,031	(27,031)	-
Tax Loss Carried Forward	328,743	(328,743)	-
Balance at 30 June 2025	<u>451,812</u>	<u>(451,812)</u>	<u>-</u>

Deferred tax liability	Closing Balance	Charged to Income	Closing Balance
Financial Asset	2,341	-	2,341
Non assessable income - timing differences	16,400	(16,400)	-
Revaluation of Land & Buildings	544,621	212,503	757,124
Balance at 30 June 2024	<u>563,362</u>	<u>196,103</u>	<u>759,465</u>

Financial Asset	2,341	-	2,341
Non assessable income - timing differences	-	-	-
Revaluation of Land & Buildings	757,124	-	757,124
Balance at 30 June 2025	<u>759,465</u>	<u>-</u>	<u>759,465</u>

NOTE 14: Right-of-use assets

The Co-operative's lease portfolio includes leased equipment. These leases have an average lease term of 5 years.

Right-of-use assets

Leased Equipment	212,344	540,267
Less Accumulated depreciation	(106,352)	(272,797)
Total Right-of-use assets	<u>105,992</u>	<u>267,470</u>

Movement in carrying amounts:

Leased Equipment:		
Net Carrying amount - opening	267,470	282,770
Disposals (net)	(90,458)	-
Transfer to property, plant & equipment (net)	(5,642)	-
Additions at cost	-	79,447
Depreciation expense	(65,378)	(94,747)
Net carrying amount - closing	<u>105,992</u>	<u>267,470</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 15: Dividends	Note	2025 \$	2024 \$
The following dividends were declared:			
Ordinary Dividend		-	48,752
Total Dividends		-	48,752
Franking credits available for subsequent financial years based on a tax rates of 25%		1,249,323	1,249,323
NOTE 16: Trade and other payables			
Current			
Trade Payables		790,723	1,487,411
GST Payable		34,303	53,602
Accrued expense		110,621	73,040
Other payables		10,791	7,298
		946,438	1,621,351
NOTE 17: Contract liabilities			
Current			
Contract liabilities		87,962	74,587
		87,962	74,587
NOTE 18: Employee benefits			
Current			
Provision Annual Leave		133,839	109,234
Provision Long Service Leave		26,462	16,110
		160,301	125,344
Non-Current			
Provision Long Service Leave		31,316	41,016
		31,316	41,016
Total Employee benefits		191,617	166,360
NOTE 19: Lease liabilities			
Current			
Lease liabilities		33,054	112,879
		33,054	112,879
Non-Current			
Lease liabilities		50,687	116,468
		50,687	116,468
Total Lease Liabilities		83,741	229,347

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 20: Borrowings	Note	2025 \$	2024 \$
Current			
Bank Overdraft - secured	26(a)	342,995	40,100
Bank Loan - secured		-	50,000
Equipment Loan - secured		28,979	-
		<u>371,975</u>	<u>90,100</u>
Non-Current			
Equipment Loan - secured		124,585	-
		<u>124,585</u>	<u>-</u>

Assets pledged as security

The bank overdraft and equipment loans are secured by assets of the Co-operative.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Total Facility	Used at Reporting Date	Unused at Reporting Date
Bank Overdraft	500,000	342,995	157,005
Business Card Facility	35,000	-	35,000

NOTE 21: Key management personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Co-operative is set out below:

Aggregate compensation	<u>658,402</u>	<u>785,263</u>
------------------------	----------------	----------------

NOTE 22: Related party transactions

The Co-operative's main related parties are as follows:

Key Management Personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

- Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.
- The Co-operative engaged a director to provide business consulting services during the year which amounted to \$26,538 (incl GST).
- There are no related party transactions outside the normal course of trading with the Co-operative (which are on the same terms as other shareholders in the Co-operative).

Receivable from and payable to related parties

Trade receivables from related parties totalled \$4,572 at year end (2024: \$4,837) and trade payables to related parties totalled \$4,125 at year end (2024: \$Nil).

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 23: Contingent liability

In the opinion of the Directors, the Co-operative did not have any contingent liabilities at 30 June 2025 (2024: Nil).

NOTE 24: Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Co-operative's operations, the results of those operations, or the Co-operative's state of affairs in future financial years.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 25: Fair value measurement

The Co-operative measures and recognises the following assets at fair value on a recurring basis after initial recognition:
- Freehold land and buildings.

The Co-operative selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value.

Recurring fair value measurements		Note	2025	2024
Non Financial Assets			\$	\$
- Freehold land at fair value	(i)	11	3,000,000	3,000,000
- Buildings at fair value	(i)	11	1,750,000	1,750,000

(i) Freehold land and buildings fair values are based on an independent valuation performed on the 14 March 2024, which used comparable market data for similar properties. At 30 June 2025, the directors have reviewed the valuation made by Herron Todd White. They have concluded that this valuation remains materially unchanged and are satisfied that the carrying cost does not exceed replacement cost.

NOTE 26: Statement of cash flows reconciliation

	Note	2025	2024
		\$	\$

(a) Reconciliation of cash and cash equivalents

Cash as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	6	8,190	8,159
Bank Overdraft	20	(342,995)	(40,100)
		<u>(334,805)</u>	<u>(31,941)</u>

(b) Reconciliation of cash flow from operations with profit/(loss) after income tax

Operating profit/(loss) after income tax		(798,035)	(329,120)
--	--	-----------	-----------

Non cash flows in operating profit:

- Depreciation	4	144,275	178,412
- Amortisation	4	2,998	3,055
- (Profit)/Loss on disposal of assets		(102,952)	(2,400)

Non cash flows in other

comprehensive income:

- Tax effect of derecognition/(revaluation) of Land & Buildings	5	-	(212,503)
---	---	---	-----------

Changes in Assets & Liabilities:

Decrease (Increase) in trade and other receivables	7	81,188	40,341
Decrease (Increase) in inventories	8	514,495	(188,989)
Decrease (Increase) in other assets	9	97,683	(110,750)
Decrease (Increase) deferred tax asset	13	451,812	(88,719)
Decrease (Increase) income tax refundable	10	-	-
Increase (Decrease) in trade and other payables	16	(674,912)	588,536
Increase (Decrease) in contract liabilities	17	13,375	6,549
Increase (Decrease) in employee benefits	18	25,257	19,080
Increase (Decrease) in provisions		-	-
Increase (Decrease) deferred tax liability	13	-	196,103
Net cash provided by operating activities		<u>(244,816)</u>	<u>99,595</u>

NOTE 27: Reserves

Asset Revaluation Surplus

The revaluation surplus records the revaluations of non current assets.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

NOTE 28: Auditor's remuneration	Note	2025	2024
		\$	\$

During the financial year the following fees were paid for services provided by the auditor of the Co-operative:

- Audit Services	28,690	27,690
- Other Assurance Services	2,750	2,660
- Taxation Services	1,850	1,800
	<u>33,290</u>	<u>32,150</u>

NOTE 29: Statutory information

The registered office and principal place of business of the Co-operative is:

Bowral Co-operative Limited
85 Kirkham Road
Bowral NSW 2576

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025**

The Directors of the Bowral Co-operative Limited declare that in the directors' opinion:

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

(a) comply with Australian Accounting Standards - Simplified Disclosures; and

(b) gives a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Co-operative.

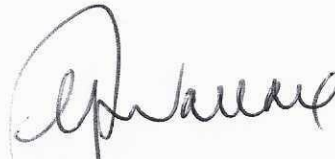
2. there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the board.



Rebecca Hogan
Chair

Date: 2nd Oct 2025
Bowral



Glenn Wallace
Director

Date: 2nd OCTOBER 2025



INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2025

To the Members of Bowral Co-operative Limited,

Opinion

I have audited the financial report of Bowral Co-operative Limited ("the Entity") which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the declaration by the board of Directors.

In my opinion, the accompanying financial report of the Entity is in accordance *Co-operatives National Law (NSW)* including:

(a) giving a true and fair view of the Entity's financial position as at 30 June 2025 and of its financial performance and cash flows for the year then ended;

(b) complying with Australian Accounting Standards – Simplified Disclosures and *Co-operatives National law (NSW)*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 which indicates the Co-operative recorded an operating loss before tax of \$346,223 for the year ended 30 June 2025 and cash at the end of the year was negative \$334,805. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Co-operative's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Chair's Report, Chief Executive Officer's Report and Directors' report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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

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

hlb.com.au

HLB Mann Judd (Wollongong) Pty Ltd ABN 20 073 798 615

65 Kembla Street, Wollongong NSW 2500 Australia / PO Box 544 Wollongong NSW 2520

T: +61 (0)2 4254 6500 F: +61 (0)2 4226 2371 E: mailbox@hlbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (Wollongong) Pty Ltd is a member of HLB International, the global advisory and accounting network.



Responsibilities of Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Co-operatives National Law (NSW)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in black ink, appearing to read 'B. Fock'.

Ben Fock
Registered Company Auditor

Date: 3 October 2025
Wollongong

hlb.com.au

HLB Mann Judd (Wollongong) Pty Ltd ABN 20 073 798 615

65 Kembla Street, Wollongong NSW 2500 Australia / PO Box 544 Wollongong NSW 2520

T: +61 (0)2 4254 6500 F: +61 (0)2 4226 2371 E: mailbox@hlbw.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (Wollongong) Pty Ltd is a member of HLB International, the global advisory and accounting network.