

Australian Beverage Enterprises Co-operative Society Limited

ABN 32 846 109 693

Financial Report - 30 June 2023

Australian Beverage Enterprises Co-operative Society Limited
Directors' report
30 June 2023

Your directors present their report on the co-operative for the financial year ended 30 June 2023.

Directors

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

Ian Bailey
Warren Douglas
Glenn Stephens
Chris Murray
Nasir Chowdhury
Murray Rosenberg

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

Review of Operations

The profit of the co-operative for the financial year after providing for income tax amounted to \$82,578.

This provided a finish to the year well ahead of budget. \$10,000 was set aside to assist members if they wished to join ABCL (Australian Beverages Council) themselves, given that the co-operative had decided to discontinue its membership, plus \$5000 for possible legal expenses. These funds were not used. A budgeted expense of \$6400 for the 2023 annual conference, which was accrued to the 2023/24 financial year and, therefore, was a reduction in expenses, was enhanced by a \$1600 credit from the 2022 conference. Rebates from suppliers were \$25,000 greater than budget. Increased purchases by members of PET bottles and preforms accounted for approximately \$13,400 and corrugated cartons and dividers accounted for nearly \$3,400. Rebates from purchases of sugar were \$12,000 greater than budget due mainly to the completion of contracts falling during the financial year. Given the tough economic climate with increasing costs and that the co-operative is in a healthy financial position, the directors approved an end of year distribution of \$80,000 to members.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the co-operative during the financial year were:

A co-operative formed to provide collective buying power opportunities for small to medium sized enterprises' purchasing of production and packaging materials. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the co-operative's operations, the result of those operations or the state of affairs of the co-operative in subsequent 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 environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the co-operative.

Proceedings on Behalf of the Co-operative

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

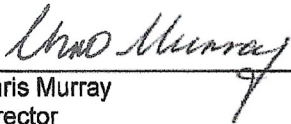
Australian Beverage Enterprises Co-operative Society Limited
Directors' report
30 June 2023

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in cursive script that reads "Chris Murray". The signature is written in black ink and is positioned above a horizontal line.

Chris Murray
Director

28 July 2023

Australian Beverage Enterprises Co-operative Society Limited
Auditor's independence declaration

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Australian Beverage Enterprises Co-operative Society Limited
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Australian Beverage Enterprises Co-operative Society Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	3	361,105	309,152
Interest income		1,586	1,379
Expenses			
Auditor's remuneration		(4,487)	(4,145)
Consultants		(169,943)	(160,092)
Conference & seminars		(47,754)	(182)
Director's meeting		(8,864)	(3,000)
Insurance		(1,495)	(2,685)
Travel expenses		(11,047)	(10,575)
Other expenses		(36,523)	(44,249)
Profit for the year attributable to the owners of Australian Beverage Enterprises Co-operative Society Limited		82,578	85,603
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the owners of Australian Beverage Enterprises Co-operative Society Limited		<u>82,578</u>	<u>85,603</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australian Beverage Enterprises Co-operative Society Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	437,394	406,265
Trade and other receivables	5	14,501	15,817
Other current assets	6	110,561	106,930
Total current assets		<u>562,456</u>	<u>529,012</u>
Total assets		<u>562,456</u>	<u>529,012</u>
Liabilities			
Current liabilities			
Trade and other payables	7	20,145	7,784
Provision for distribution		72,727	60,000
Tax liabilities		(1,324)	6,611
Total current liabilities		<u>91,548</u>	<u>74,395</u>
Non-current liabilities			
Contributed Equity	9	5,000	5,200
Total non-current liabilities		<u>5,000</u>	<u>5,200</u>
Total liabilities		<u>96,548</u>	<u>79,595</u>
Net assets		<u>465,908</u>	<u>449,417</u>
Equity			
Reserves	11	4,300	3,900
Retained earnings		461,608	445,517
Total equity		<u>465,908</u>	<u>449,417</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Australian Beverage Enterprises Co-operative Society Limited
Statement of changes in equity
For the year ended 30 June 2023

	Forfeited share reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	3,900	419,914	423,814
Profit for the year	-	85,603	85,603
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	85,603	85,603
<i>Transactions with owners in their capacity as owners:</i>			
Distribution(note 10)	-	(60,000)	(60,000)
Balance at 30 June 2022	<u>3,900</u>	<u>445,517</u>	<u>449,417</u>
	Fortfeited share reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	3,900	445,517	449,417
Profit for the year	-	82,578	82,578
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	82,578	82,578
<i>Transactions with owners in their capacity as owners:</i>			
Fortfeited shares	400	-	400
Distribution(note 10)	-	(66,487)	(66,487)
Balance at 30 June 2023	<u>4,300</u>	<u>461,608</u>	<u>465,908</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Australian Beverage Enterprises Co-operative Society Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		389,214	286,458
Payments to suppliers and employees (inclusive of GST)		<u>(306,111)</u>	<u>(272,370)</u>
		83,103	14,088
Interest received		<u>1,586</u>	<u>1,379</u>
Net cash from operating activities	13	<u>84,689</u>	<u>15,467</u>
		<u>-</u>	<u>-</u>
Net cash from investing activities			
		-	300
Cash flows from financing activities			
Proceeds from new members		-	-
Reduction in contributed equity		(200)	-
Movements in equity - other		400	-
Distributions paid		<u>(53,760)</u>	<u>-</u>
Net cash from/(used in) financing activities		<u>(53,560)</u>	<u>300</u>
Net increase in cash and cash equivalents		31,129	15,767
Cash and cash equivalents at the beginning of the financial year		<u>406,265</u>	<u>390,498</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>437,394</u></u>	<u><u>406,265</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Australian Beverage Enterprises Co-operative Society Limited
Notes to the financial statements
30 June 2023

Note 1. Summary of Significant Accounting Policies

The financial statements cover Australian Beverage Enterprises Co-operative Society Limited as an individual entity. Australian Beverage Enterprises Co-operative Society Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 28 July 2023 by the directors of the co-operative.

Basis of Preparation

The directors have prepared the financial statements on the basis that the co-operative is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise. The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). The income of the co-operative consists of external income, such as interest, as well as mutual income ie membership and joining fees. Mutual income is not subject to income tax. Whilst the co-operative has a current year taxable profit, it has sufficient prior year losses to result in no tax payable in the current financial year.

(b) Trade and Other Debtors

Trade and other debtors include the amounts due from members as well as amounts receiveable from customers for services. Accounts receivable are initially recognised as fair value and subsequently measured at amortised cost using the effective interest rates method, less any provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receiveables are classified as non-current assets.

(c) Cash and Cash Equivalents

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

(d) Revenue Recognition

Income from providing a service is recognised when the customer or member receives the service . Interest income is recognised using the effective interest method.

(e) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(g) Comparative Figures

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

Note 1. Summary of Significant Accounting Policies (continued)

(h) Critical Accounting Estimates and Judgements

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

Note 2. Remuneration of auditors

	2023 \$	2022 \$
<i>Audit services -</i>		
Audit of the financial statements	4,345	4,145

Note 3. Revenue

	2023 \$	2022 \$
Members' subscriptions & levies	54,267	54,983
Joining fees	2,000	3,000
Advertising sponsorship	8,382	-
Rebates	296,456	251,169
Revenue	361,105	309,152

Note 4. Cash and cash equivalents

	2023 \$	2022 \$
<i>Current assets</i>		
Cash at bank	211,933	181,367
Short-term bank deposits	225,461	224,898
	437,394	406,265

Note 5. Trade and other receivables

	2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	14,501	15,817

Australian Beverage Enterprises Co-operative Society Limited
Notes to the financial statements
30 June 2023

Note 6. Other current assets

	2023 \$	2022 \$
<i>Current assets</i>		
Accrued income	66,416	57,099
Prepayments	44,145	49,831
	<u>110,561</u>	<u>106,930</u>

Note 7. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	12,378	3,639
Other payables	7,767	4,145
	<u>20,145</u>	<u>7,784</u>

Note 8. Financial instruments

Interest rate risk

The co-operative's exposure to interest risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

	<u>Floating interest rate</u>			
	2023 \$	2022 \$	2023 \$	2022 \$
Fixed interest rate				
Financial assets				
- Cash	221,933	181,367	-	-
- Short term deposits	-	-	225,461	224,898
	<u>221,933</u>	<u>181,367</u>	<u>225,461</u>	<u>224,898</u>

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the balance sheet and notes to the financial report.

The co-operative does not have any material credit risk exposure to any signal debtor or group of debtors under financial instruments entered into by the co-operative.

Contingent Liability

The co-operative, on behalf of its members, is exposed to movements in the price of sugar, which it sources from third parties, and which are generally sold as commodities on the world market. The calculation is based on expected member requirements for the forward period with contracts due to expire in October and November 2023 and June 2024.

As at 30 June 2023 the co-operative is committed to forward contracts for supply of sugar totalling \$3,948,628 on behalf of its members. This is a significant increase from the 2022 value of \$568,987. The price of sugar has again risen substantially with a concern that prices may continue to rise due to a possible global deficit; therefore, one of the contracts is for cover for a 12 month period, thereby increasing the exposure. Further contracts will be required, beyond October and November, and entered into when more favourable pricing opportunities arise.

Australian Beverage Enterprises Co-operative Society Limited
Notes to the financial statements
30 June 2023

Note 9. Contributed Equity

	2023 \$	2022 \$
<i>Non-current liabilities</i>		
Ordinary Shares: \$20 per share	<u>5,000</u>	<u>5,200</u>

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the co-operative in proportion to the number of shares held. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. In accordance with Clause 11 of the Rules, the co-operative shall pay to a cancelled or expired member, the amount of capital paid up on the member's shares at the time.

Note 10. Distribution

	2023 \$	2022 \$
Distribution	<u>(66,487)</u>	<u>(60,000)</u>

The distribution declared for the year ended 30 June 2022 was \$60,000 (including GST) of which \$59,135.77 (including GST) was paid during the 30 June 2023 financial year.

The distribution declared for the year ended 30 June 2023 was \$80,000 (including GST), which remains unpaid.

The movement in equity is \$66,487 representing the \$72,727.27 payable less the over provision for the 2022 year of \$6,240.

Note 11. Reserves

	2023 \$	2022 \$
Forfeited shares reserve	<u>4,300</u>	<u>3,900</u>

Note 12. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 13. Reconciliation of profit to net cash from operating activities

	2023 \$	2022 \$
Profit for the year	82,578	85,603
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,316	(22,694)
Increase in accrued revenue	(9,317)	-
Decrease in prepayments	5,686	-
Increase/(decrease) in trade and other payables	<u>4,426</u>	<u>(47,442)</u>
Net cash from operating activities	<u>84,689</u>	<u>15,467</u>

Australian Beverage Enterprises Co-operative Society Limited
Notes to the financial statements
30 June 2023

Note 14. Co-operative Details

The registered office of the co-operative is:
Australian Beverage Enterprises Co-operative Society Limited
Level 8, 815 Pacific Highway
Chatswood NSW 2067

The principal place of business is:
Australian Beverage Enterprises Co-operative Society Limited
2 Daff Avenue
Hampton East VIC 3188

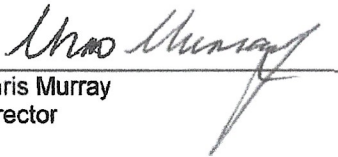
Australian Beverage Enterprises Co-operative Society Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Chris Murray
Director

28 July 2023

Australian Beverage Enterprises Co-operative Society Limited
Independent auditor's report to the members of Australian Beverage Enterprises Co-operative Society Limited

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Australian Beverage Enterprises Co-operative Society Limited
Independent auditor's report to the members of Australian Beverage Enterprises Co-operative Society Limited

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