



ANNUAL REPORT 2023

Board Report

Management Report

Year in Brief

Financial Report

Maple Street Co-operative Society Limited

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ABN 22 528 678 160

Maple Street Co-operative Society

Board Report 2023

Dear Members,

Our vision remains to support personal, community and planetary health. This year we have focused on The Year of the Local with great emphasis on looking at our Co-op for its sustainability and a direct focus on our local consignors.

This year we have furthered our foundation in supporting community and creating connections through improving our consignor process, offering visits to our suppliers, and improving visibility of where our products come from, especially our local products.

The Board gains inspiration from our members and the feedback you provide us through surveys, social media and other informal ways. We look forward to your ongoing contributions to our Co-op.

Directors:

The seven Directors have been working well as a team to ensure good governance. They are: Patricia Lake (Deputy), Kamala Alister, Adrian Anderson, John Ford, Jonathan Waites, Eugenie Schwartz and Elke Watson (Chair). The strong debate that occurs around the Boardroom table helps us in reaching good decisions for the future. In October 2023 Patricia Lake and Eugenie Schwartz will resign due to other commitments and Kamala Alister will not seek re-election.

Kamala has spent approximately 25 years on the board, four of them as Chair. She has these brought years of history to the board. We thank Kamala for her passion for co-ops that has driven an increase in membership and for the successful oversight of the expansion to a larger floor space on Maple Street.

After 4 years, Patricia Lake will resign this year to concentrate on her expanded business role. Patricia was elected to the board on 24 October 2019. Patricia has been our deputy Chair since 2020 and has brought a calm professionalism to the board. Her approach to risk management and to strategy planning have been a great asset.

Eugenie Schwartz was elected to the board in October 2022. Her other commitments have led to her resigning as of the AGM October 2023. The experience and her passion for the co-op principles mean that she may stand again when time allows.

Kerry Cosgrove (elected 22 Oct 2020, Robyn Harper (elected 24 Oct 2019 and Anna Morningstar (elected 22 October 2020) all resigned at the AGM in October 2022 and we thank them for their input.

The board now has a structured onboarding process for new directors. Our key governance documents and operational procedures are on a new intranet.

Staff:

Peter Pamment took on the role of Finance Manager in March 2017 and later Business Manager in 2019. He has worked with the board to lead the business from a position of Net Assets of \$125 K and \$2M Sales producing a \$145K Loss to Net Assets of \$900K with \$3.6M in sales and producing a \$216K Surplus

The Board recognises that the Co-op is lucky to have such a wealth of knowledge and experience to lead the staff and develop the business. The process of seeking budget approval from the board and then implementing the budget has been a key to our results.

Shop Manager, Charlotte Fogerty-Henderson, is a great example of the success of a community led co-op. Charlotte joined the staff as a 16-year-old and has worked her way up to being Shop Manager. We recognise Charlotte's development and service to the Co-op.

We also thank Assistant Manager, Fiona Emberton who assists Peter Pamment looking after marketing and community engagement in a part-time capacity. Plus, her service to the Board as minute secretary.

All our staff are a credit to our organisation. While not naming them individually, we really appreciate their knowledge, and dedication. It is our great team that makes it a good place to work.

Value to Members:

A co-operative exists to provide benefit to its members. There are different ways that we achieve this through the four pillars in our strategy.

- Encourage vibrant health in our community.
- Act with environmental and social responsibility.
- Support our members and community.
- Model co-operation and ethical business.

The annual membership fee of \$11 was reduced in 2021 from \$25 as a benefit to our members. This membership fee gives value to members in different forms.

The members get the advantage of having a trusted local marketplace to shop at. Members get a discount above that offered to other customers. This year that was a total of \$141,000 given to members. This is an average of \$96 per member per year. This is a significant return on the investment of membership.

Members own the Co-op and the surplus generated for the Co-op is a benefit to them. The surplus is an investment in the long-term security of their member owned Co-op.

	2023	2022	2021	2020	2019
Membership fee	\$11	\$11	\$11	\$25	\$25
Fees collected	\$12,655	\$10,828	\$10,000	\$18,000	\$18,000
Members	1470	1282	1115	956	940
Surplus	\$216,000	\$213,000	\$193,000	\$131,000	\$73,000
Member discounts	\$141,000	\$121,000	\$98,000	\$83,000	\$73,000
Total benefit	\$357,000	\$334,000	\$291,000	\$214,000	\$146,000
Avg disc / member	\$96	\$94	\$88	\$87	\$78

The board has designed a new investment strategy and budgets for moderate surplus to ensure a long-term future for its members ensuring we have the funds for upgrades or new opportunities.

The board remains very proud of the achievements of our Co-op over this year.

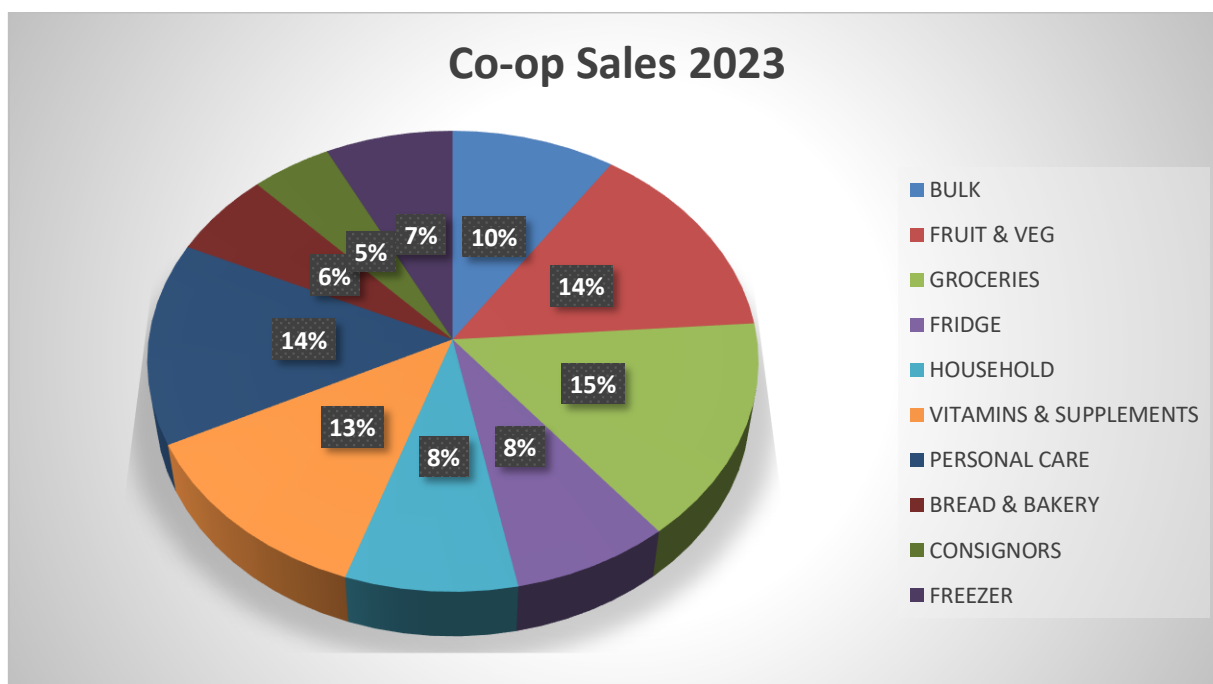
Elke Watson
Chair of the Board

Management Report 2023

The 2022-23 year has been one of consolidation with continuing strong sales and support from members and customers. We have had a consistent result over the past three years with very similar results. This highlights that we are operating within a proven model, meeting members and the community demands and that we can improve and grow with minimum risk over the next few years.

Our Performance

Overall sales this year were up 10% to nearly \$3.7M, a similar result to last year and assuring us that we are still providing the range of grocery items that members need. With inflation still running at about 6% our real growth is more moderate but still a bit ahead of the average food retailing result. Net profit after tax for the year was \$157K and continues our recent good results allowing us to build capital for the future.



The sales chart shows that our 5 core sales areas are fruit & veg, groceries, vitamins / supplements, personal care and combined fridge & freezer. These core areas constitute the main areas of grocery supply and indicate that we can provide everything a member needs in their basic day to day grocery requirements. Our daily customer numbers have grown to consistently over 300 per day so we are transacting every 1.7 minutes. A busier shop all around – so a big thank you again to all members for your consideration and friendly interactions with the staff. Our major KPIs of gross profit of 34%, fixed expenses of 8% and wages at 20% of sales are consistent over the last few years since the expansion of the shop and give us an overall profit of 6% of sales. All very similar ratios to other grocery stores and supermarkets.

Improvements

Our focus during the year has been on our Point of Sale (POS) system and back-office systems. Our POS was well over 15 year old technology and not based on a reliable modern database. With our supplier we introduced some required features into the system with caused issues and random crashes. We also had hardware failures which just added to the on-going problems. At year end we upgraded to a new modern database and program design. The POS system for sales is now stable and working well. As our POS data was often old & redundant, we have been busy recoding and updating our product data to suit the needs of the new system and getting changes done to better suit how we operate.

Sustainability

Our “at maximum” solar power systems are still providing 30% in winter and up to 50% of our daytime needs in summer. The high-capacity AC charger for EV cars continued to be popular with usage increasing as more EVs are on the roads. As we can't increase our power generation, we are looking at various ways we can deduce power. Our biggest use is for fridges & freezers and we have started a project to redesign our requirements to both give members a greater product range and reduce our power consumption and heat loads.

Our Consignors

Our “Year of the Local” strategic focus for last year will continue into next year as the consignor process is not yet fully tested and complete. Consignor sales are still around 5% of sale and numbers have not grown significantly. We are hoping that a better, more user-friendly system will help with growth in our consignors.

Community and Members Engagement

Assistant manager Fi has again been busy during the year on member engagement and education via the newsletter and “After-Hours” meetups with new members to assist them to connect better with the Co-op.

The Year of Local has provided the Co-op and its producers with significant exposure through presentations, articles in local newspaper, social media articles, farm visits and local food displays at key local events. Inside the shop, we've focussed on locally made goods even more than usual through tastings by producers, abundant displays, and our new Made Locally platypus shelf sign (thank you artist and Co-op member Alex Bridge for the first in this series). Also, as part of The Year of Local we held events in our garden to highlight local growing including our regular volunteer Garden Gatherings (thanks to all of you) and various workshops.

Membership has increased by 188 to 1470, a 15% increase and overall sales to members has increased to 54% of sales. Our bi-annual member survey will be coming around next year, so please participate as we are always seeking feedback and suggestions to improve products and services where feasible.

The Team

A huge thank you to the Co-op team members for the past year. With the continued growth and the issues with upgrading the POS system, they have been challenged and pushed outside the normal scope of retail duties. Long termers Rod Castle, Eliza Worcester, and Kitty Dawkins all off pursuing new career directions. It's great to think that the Co-op has added to their life development and wish them all the best in their careers. You may see some of them doing the odd shift in the shop to help us out.

Shop manager Charlotte Fogerty-Henderson has been an outstanding performer this year and carrying the full burden of day-to-day shop management. Her commitment to the role and extra effort beyond what is generally expected is much appreciated and I thank her on behalf of all members.

We are currently employing 19 staff members, this includes full time, part time and casual. We welcome four new faces this reporting period whom you may have met in the shop, they are Kesten Hill, Marissa Patsalou, Maaya Eagle and Stephanie Fallon.

The Future

The success of the Co-op over the past few years has set the Co-op on a strong financial footing and allowed the board and management into considering longer term planning. Our short-term focus is reducing power and being more sustainable, together with continuing our local and healthy living focus.

*Peter Pamment,
Business Manager*

2022-23 YEAR IN BRIEF

PROFIT



Profit \$216,739



Net Profit \$157,055



Equity \$897K

SALES



Gross Sales \$3.5M



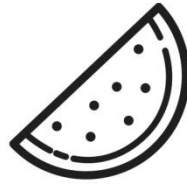
Customers 108,242



Items Sold 384K



30% Local Products



Average Sale \$34

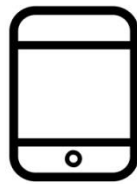


Cart Size 3.6 Items

SUPPLIERS



220 Suppliers



60 Consignors



5062 Stock Items

MEMBERS



1470 Owner - Members



54% Sales to Members



19 Employees

Maple Street Co-operative Society Limited

Audited Financial Report
For the Year Ended 30 June 2023



MAPLE STREET CO-OPERATIVE SOCIETY LTD

ABN: 22 528 678 160

Financial Report For The Year Ended 30 June 2023

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MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
DIRECTORS' REPORT

Your directors present their report on the cooperative 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:

Kamala Alister
Adrian Anderson
Kerry Cosgrove, retired 26th October 2022
John Ford, elected 26th October 2022
Patricia Lake
Robyn Harper, resigned 26th October 2022
Anna Morningstar, retired 26th October 2022
Eugenie Schwartz, elected 26th October 2022
Jonathan Waites, elected 26th October 2022
Elke Watson

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 (loss) of the cooperative for the financial year after providing for income tax amounted to \$157,055.

The shop expansion has been well accepted in the community with an increase in membership and a sales increase of 10% to \$3.4m. The increase in sales has contributed to the Co-operative's operational profit.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the cooperative during the financial year were the retail sales of organic produce and products. No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

The cooperative will continue to pursue its strategic objectives to steadily increase market share, product range and profitability of organic produce and product sales.

Environmental Regulation

The cooperative's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the cooperative were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

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 cooperative.

Proceedings on Behalf of the cooperative

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

The cooperative was not a party to any such proceedings during the year.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under the Co-operatives National Law 2020 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director 
Elke Watson

Dated this 17th day of October 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MAPLE STREET CO-OPERATIVE SOCIETY LTD**

In accordance with the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Maple Street Co-Operative Society Ltd. As the registered company auditor for the audit of the financial report of Maple Street Co-Operative Society Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm	SDE Audit & Corporate
	Signature valid Digitally signed by Christine Perren Date: 2023.10.12 12:53:23 EAS
Name of Partner	Christine Perren Registered Company Auditor
Date	12 October 2023
Address	Level 1, 9-15 Mill Street, Nambour Qld

MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue		3,489,072	3,193,880
Other income		21,586	11,384
Changes in inventories		(2,319,897)	(2,078,490)
Administration expenses		(33,855)	(32,296)
Operating expenses		(41,095)	(32,573)
Employee benefits expense		(679,569)	(636,583)
Auditors remuneration	2	(6,050)	(6,225)
Depreciation and amortisation expense		(32,661)	(27,007)
Occupancy expense		(177,075)	(168,764)
Bad and doubtful debts		(300) -	325
Revaluation of property, plant and equipment		-	-
Finance costs	2(a)	-	-
Other expenses		(3,417)	(9,290)
Profit before income tax		<u>216,739</u>	<u>213,712</u>
Income tax (expense)	10	(59,684)	(54,531)
Profit for the year		<u><u>157,055</u></u>	<u><u>159,181</u></u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:		-	-
Total other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>157,055</u></u>	<u><u>159,181</u></u>

The accompanying notes form part of these financial statements.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	539,225	337,459
Trade and other receivables	4	-	-
Inventories	5	237,383	276,725
Other current assets	6	16,623	9,757
TOTAL CURRENT ASSETS		<u>793,231</u>	<u>623,940</u>
NON-CURRENT ASSETS			
Financial assets	7	15	15
Property, plant and equipment	8	237,934	260,983
TOTAL NON-CURRENT ASSETS		<u>237,949</u>	<u>260,998</u>
TOTAL ASSETS		<u><u>1,031,180</u></u>	<u><u>884,938</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	55,007	61,765
Current tax liabilities	10	4,065	37,932
Provisions	11	49,983	34,800
TOTAL CURRENT LIABILITIES		<u>109,055</u>	<u>134,497</u>
NON-CURRENT LIABILITIES			
Provisions	11	25,564	17,134
TOTAL NON-CURRENT LIABILITIES		<u>25,564</u>	<u>17,134</u>
TOTAL LIABILITIES		<u><u>134,618</u></u>	<u><u>151,631</u></u>
NET ASSETS		<u><u>896,562</u></u>	<u><u>733,307</u></u>
EQUITY			
Issued capital	12	38,575	33,900
Reserves		60,466	58,941
Retained earnings		797,520	640,466
TOTAL EQUITY		<u><u>896,562</u></u>	<u><u>733,307</u></u>

The accompanying notes form part of these financial statements.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Note	Share Capital			Reserves		Total
	Ordinary	Partly paid ordinary shares	Retained Earnings (accumulated losses)	Capital Reserve	Financial Assets Reserve	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	29,750		481,285	57,966		569,001
Comprehensive income						
Profit for the year			159,181			159,181
Other comprehensive income for the year						-
Movement in Capital	4,150			975		5,125
Total comprehensive income for the year attributable to owners of the entity	4,150	-	159,181	975	-	164,306
Balance at 30 June 2022	33,900	-	640,466	58,941	-	733,307
Balance at 1 July 2022	33,900	-	640,466	58,941	-	733,307
Comprehensive income						
Profit for the year			157,055			157,055
Other comprehensive income for the year						-
Movement in Capital	4,675			1,525		6,200
Total comprehensive income for the year attributable to owners of the entity	4,675	-	157,055	1,525	-	163,255
Balance at 30 June 2023	38,575	-	797,521	60,466	-	896,562

The accompanying notes form part of these financial statements.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
ABN: 22 528 678 160
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,501,998	3,207,363
Payments to suppliers and employees	(3,225,735)	(3,020,021)
Interest received	8,635	483
Finance cost	-	-
Income tax (paid)/refunded	(79,646)	(25,881)
Net cash provided by operating activities	14a <u>205,252</u>	<u>161,944</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,611)	(35,824)
Net cash (used in)/provided by investing activities	<u>(9,611)</u>	<u>(35,824)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	6,575	5,350
Payment for redemption of shares	(450)	(225)
Repayment of borrowings - other	-	-
Net cash provided by/(used in) financing activities	<u>6,125</u>	<u>5,125</u>
Net increase/(decrease) in cash held	201,766	131,245
Cash and cash equivalents at beginning of financial year	337,459	206,214
Cash and cash equivalents at end of financial year	3 <u><u>539,225</u></u>	<u><u>337,459</u></u>

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Maple Street Co-Operative Society Ltd is a cooperative limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the cooperative is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Co-operatives National Law Act 2020. The cooperative is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the Australian Accounting Standards applicable to entities reporting under the Co-operatives National Law Act 2020 and 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, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

Basis of Preparation

(a) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(b) Fair Value of Assets and Liabilities

The cooperative measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the cooperative would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(c) Inventories

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

(d) Property, Plant and Equipment

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

Lease hold improvements

Lease hold improvements are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of lease hold improvements are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are charge to the statement of profit or loss.

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the cooperative and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the cooperative commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Lease hold improvements	2.5%
Plant and equipment	10% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the cooperative becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the cooperative commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.16.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The cooperative initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings is documented appropriately, so that the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the cooperative made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the cooperative's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the cooperative no longer controls the asset (ie it has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The cooperative recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The cooperative uses the following approaches to impairment, as applicable under AASB 9:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the cooperative assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the cooperative measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- if there is no significant increase in credit risk since initial recognition, the cooperative measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the cooperative measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the cooperative assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the cooperative applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the cooperative recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets

At the end of each reporting period, the cooperative assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Employee Benefits

Short-term employee benefits

Provision is made for the cooperative's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The cooperative's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The cooperative's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the cooperative does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Provisions

Provisions are recognised when the cooperative has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

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

(j) Revenue Recognition

Revenue generated by the cooperative is related to the sale of organic goods

Sale of organic goods

The cooperative sells organic products. Revenue is recognised when control of the products has transferred to the customers. For such transactions, this is when the products are provided to the customers. Membership discounts could be provided with the sale of these items, depending on the eligibility of the customers. Revenue from these sales is based on the price stipulated in the contract, net of the estimated membership discounts.

Membership discounts are calculated and applied at the point of sale.

The products are sold under standard warranty terms. These terms may require the cooperative to provide a refund for faulty products. The cooperative's obligation to provide a refund for these faulty products is recognised as a provision in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets.

Customers have a right to return products. At the point of sale, a cash refund is recognised with a corresponding adjustment to revenue for these products.

Consistent with the recognition of the refund liability, the cooperative further has a right to recover the product when customers exercise their right of return. Consequently, the cooperative recognises a right-to-returned-goods asset and a corresponding adjustment is made to cost of sales.

Historical experience of product returns is used to estimate the number of returns on an inventory level, using the expected value method. It is considered highly probable that significant reversal in the cumulative revenue will not occur given the consistency in the rate of return presented in the historical information.

Other income

Interest income is recognised using the effective interest method.

(k) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group 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 measured at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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.

(o) Comparative Figures

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

(p) 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 cooperative.

Key Estimates

(i) Impairment

The cooperative assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the cooperative that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) 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.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the cooperative will make. The cooperative determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the cooperative

(iii) Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The cooperative expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 2 Profit before Income Tax

	2023	2022
	\$	\$
(a) Expenses		
Cost of sales	<u>2,319,897</u>	<u>2,078,490</u>
Interest expense for financial liabilities not at fair value through profit or loss		
— external entities	<u>-</u>	<u>-</u>
Total finance costs	<u>-</u>	<u>-</u>
Other expenses:		
Depreciation of property, plant and equipment	32,661	27,007
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	6,050	6,225
— taxation services provided by related practice of auditor	<u>935</u>	<u>1,460</u>
	<u>6,985</u>	<u>7,685</u>

Note 3 Cash and Cash Equivalents

	2023	2022
	\$	\$
CURRENT		
Cash at bank and on hand	<u>539,225</u>	<u>337,459</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>539,225</u>	<u>337,459</u>

Note 4 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	<u>-</u>	<u>-</u>

Note 5 Inventories

	2023	2022
	\$	\$
CURRENT		
At cost:		
Stock on hand	<u>237,383</u>	<u>276,725</u>

MAPLE STREET CO-OPERATIVE SOCIETY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 6 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	<u>16,623</u>	<u>9,757</u>

Note 7 Financial Assets

	2023	2022
	\$	\$
NON-CURRENT		
Investments in equity instruments designated as at fair value through other comprehensive income		
Unlisted investments	<u>15</u>	<u>15</u>

Note 8 Property, Plant and Equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Lease hold impairment at:		
Directors' valuation	183,895	183,895
Accumulated depreciation	<u>(54,831)</u>	<u>(50,231)</u>
Total lease hold improvements	<u>129,064</u>	<u>133,664</u>
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	312,992	303,380
Accumulated depreciation	<u>(204,122)</u>	<u>(176,061)</u>
	<u>108,870</u>	<u>127,319</u>
Total property, plant and equipment	<u>237,934</u>	<u>260,983</u>

(a) Asset revaluations

Lease hold improvements

At the end of the reporting period, lease hold improvements held by the cooperative were valued by the directors. The fair value of the lease hold improvements was determined to be \$129064 (2020: \$133664).

Note 9 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Unsecured liabilities		
Sundry payables and accrued expenses	<u>55,007</u>	<u>61,765</u>

MAPLE STREET CO-OPERATIVE SOCIETY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 10 Tax

	2023	2022
	\$	\$
Income Tax Expense	<u>(59,684)</u>	<u>(54,531)</u>
Liabilities		
CURRENT		
Income tax payable	<u>4,065</u>	<u>37,932</u>

Note 11 Provisions

	2023	2022
CURRENT	\$	\$
Provision for Rates & Land Tax	4,322	300
Provision for Light & Power	2,500	950
Provision for Audit fees	5,291	5,196
Provision of Accrued Wages	3,400	1,400
Employee Benefits	<u>21,624</u>	<u>19,287</u>
	<u>37,137</u>	<u>27,133</u>
NON-CURRENT		
Employee Benefits	<u>25,564</u>	<u>17,134</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the cooperative 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 cooperative does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

MAPLE STREET CO-OPERATIVE SOCIETY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 12 Issued Capital

	2023	2022
	\$	\$
1,543 (2022: 1,356) fully paid ordinary shares	<u>38,575</u>	<u>33,900</u>

Ordinary shareholders participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

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

Note 13 Capital and Leasing Commitments

	2023	2022
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	90,161	90,161
— between 12 months and five years	388,515	388,515
— later than five years	<u>23,921,630</u>	<u>23,921,630</u>
	<u>24,400,306</u>	<u>24,400,306</u>

The property lease is a non-cancellable lease with a 99-year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by 3% per annum. An option exists to renew the lease at the end of the 99-year term for an additional term of 99 years. The lease allows for subletting of lease areas.

Note 14 Cash Flow Information

	2023	2022
	\$	\$
(a) Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	157,055	159,181
Non-cash flows in profit		
— depreciation	32,660	27,007
— Cancelled shares donated	(25)	-
— Cancelled shares correction	100	-
— Prior year adjustment	-	-
Changes in assets and liabilities:		
— (increase)/decrease in trade and other receivables	-	2,581
— (increase)/decrease in inventories	39,340	(66,170)
— (increase)/decrease in prepayments	(6,866)	(1,704)
— increase/(decrease) in trade and other payables	(6,758)	1,496
— increase/(decrease) in income taxes payable	(93,551)	28,650
— increase/(decrease) in provisions	<u>83,297</u>	<u>10,903</u>
Net cash provided by operating activities	<u>205,252</u>	<u>161,944</u>

MAPLE STREET CO-OPERATIVE SOCIETY LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 15 Reserves

a. **Capital Reserve Account**

Capital Reserve Account relates to funds retained by the cooperative from cancelled shares of members that cease to meet active membership requirements and forfeit shares.

Note 16 Cooperative Details

The registered office of the cooperative is:

Maple Street Co-Operative Society Ltd
37 Maple Street
Maleny Qld 4552

The principal place of business is:

Maple Street Co-Operative Society Ltd
37 Maple Street
Maleny Qld 4552

MAPLE STREET CO-OPERATIVE SOCIETY LTD

ABN: 22 528 678 160

DIRECTORS' DECLARATION

The directors have determined that the cooperative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

1. The financial statements and notes are in accordance with the Co-operatives National Law Act 2020 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the cooperative's financial position as at 30 June 2023 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the cooperative will be able to pay its debts as and when they become due and payable.

Director



Elke Watson

Date

17th October 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAPLE STREET CO-OPERATIVE SOCIETY LTD**

Opinion

We have audited the financial report of Maple Street Co-Operative Society Ltd (the cooperative), which comprises the statement of financial position as at 30 June 2023, 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, notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion:

- the accompanying financial report of the cooperative is in accordance with the Co-operatives National Law Act 2020,
- i. giving a true and fair view of the cooperative's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements to the extent described in Note 1, and the Corporations Regulations 2001

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the cooperative in accordance with the auditor independence requirements of the Co-operatives National Law Act 2020 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Co-operatives National Law Act 2020, which has been given to the directors of Maple Street Co-Operative Society Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Co-operatives National Law Act 2020. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the cooperative's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the cooperative are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Co-operatives National Law Act 2020 and the needs of members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the cooperative'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 cooperative or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAPLE STREET CO-OPERATIVE SOCIETY LTD**

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 cooperative'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 directors' 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 cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the cooperative 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the cooperative to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the cooperative audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Name of Firm

SDE Audit & Corporate

Signature valid

Digitally signed by Christine
Perren
Date: 2023.10.20 13:01:39 EAS

Name of Registered Company Auditor

Christine Perren

Date

20 October 2023

Address

Level 1, 9-15 Mill Street, Nambour Qld