

The graphic features a dark blue background with a large, light blue circular shape on the right side. Inside this circle is a white circle containing the text. The text is arranged in three lines: 'Annual' in dark blue, 'Report' in a larger dark blue font, and '2023' in a large light blue font.

**Annual
Report
2023**

**Eaglehawk
Recycle Shop Inc**

Eaglehawk Recycle Shop Inc

Annual General Meeting

Tuesday 28th November 2023

5.30pm

Held at Eaglehawk Recycle Shop
189 Upper California Gully Road Eaglehawk

AGENDA

1. Welcome from President Jeff Cummins
2. Introduction of those who are in attendance
3. Apologies
4. Minutes of the previous Annual General Meeting
5. Presentation of Annual Report.
 - President's Report.
 - Manager's Report.
 - Financial Report and Auditor's Report.
6. Election of Board for 2023/ 2024.
 - President, Vice President, Independent Board Members.
7. General discussion
8. Meeting closes.

Board of Management & Staff

BOARD OF MANAGEMENT:

Jeff Cummins	- President
Leon Scott	- Vice President
Dean Pearce	- Director
Tim Miller	- Director
Len Williams	- Director
Philippa Spurling	- Director
Jim Boyer	- Director

STAFF:

Annette Wiles	- Manager
Jean O'Keefe	- Assistant Manager
Mal Telford	- Financial Consultant
Paul Boyd	- Recovery / Recycling
Peter Buck	- Sales
Ray Clark	- Sales & refrigeration program
Adam Crowle	- Sales
Andrew Glass	- Recovery / Recycling
Shaun Goodwin	- Recovery / Recycling
Adam Greenshields	- Recovery / Recycling
Robert Holschier	- Recovery / Recycling
Jamie Hynes	- Sales / Recovery / Recycling
Tony Mertz	- Timber project / E-Waste
Shane Robinson	- Recovery / Recycling
James Sutherland	- Recovery / Recycling
Glenn Trappitt	- E-Waste
Dalton Treble	- Recovery / Recycling
Jason Whitburn	- Recovery / Recycling



Minutes of Annual General Meeting of Eaglehawk Recycle Shop Inc

held 5.00pm 22 November 2022

at the Eaglehawk Recycle Shop

Present; Leon Scott, Jeff Cummins, Dean Pearce, Tim Miller, Philippa Spurling, Len Williams, Jim Boyer, Jean O'Keefe, Annette Wiles, Peter Cox (former Mayor)

Apologies: Peter Buck, Cr Andrea Metcalf, Cr Rod Fyffe, Cr Andrea Metcalf, Cr Greg Penna, Lisa Chesters MP, Justin Gordon – auditor.

Minutes: Minutes to reflect Steve Griffin as an apology only – not as present
Moved Time Miller seconded Jeff Cummins that the minutes be accepted CARRIED

Presentation of Annual Report

President Leon spoke to his report saying that the year had seen many challenging events for ERS staff, with living through the end of the pandemic, the drop in metal prices and the introduction of e-waste being collected for no monetary reward. He said moving through the hurdles of covid had been a very trying time, the completion of the Hawkeye by Thales meant that the boxes and pallets for stripping and sale were no longer available.

Leon said that the enterprise continues to be a hub for recycling in the Bendigo subregion with 11,498 tonnes of recyclables diverted from landfill and that with sound management ERS finances continue in the black with all leave entitlements and maintenance reserves accounted for.

He continued to say that the cardboard baler is operating at near capacity which is fantastic due to the amount of product coming in, 3,994 mattresses being handled during the year, with some being stripped and the remainder being sent away for further recycling. The sales yard, including the Bazaar are still the major contributor to the financial security of the enterprise.

He said that the ban on E-waste to landfill introduced on 1st July 2019 saw an increase in quantities collected, these items were being sent to Sims Metal until they decided to pull out of the market completely, negotiations were done with United Star Resources for this product in which ERS were paid for some of the items they received.

Leon said that ERS had an excellent rapport with the City of Greater Bendigo, with meetings being held working towards further strategies to manage the expected rise and diversity of recyclables. With the proliferation of unprofitable goods expected to be recycled to save landfill space, ERS has had to look very closely at what we can offer with regard to these items. Currently free services are offered for the collection and handling of household and car batteries, polystyrene, Detox your *Home fluoro's and household batteries & cardboard and E waste*.

He said the staff continue to service customers in a polite and friendly manner and continually seek customers for our products, tours of the site are also offered for schools and clubs.

Leon went on to say that the Board of Voluntary Directors has a charter of being responsible to: the Community and to do no harm to the environment, work closely with Statutory authorities, offer all staff the appropriate training and facilities to do their job safely, have all equipment in good running order, have a safe and secure workplace for staff and customers, have the appropriate systems in place should a problem arise, keep all staff entitlements safe through reserves and available if needed.

He said that with the departure of Director Rod Hanson and the long term illness of Director Steve Griffin we have been actively seeking new Directors. Mr Len Williams joined the Board of Management in November 2021 and we will look forward to welcoming 2 new Directors early in the 2022-2023 financial year, after having held the President's position for 6 years she had much pleasure in handing the baton to long time board member Mr Jeff Cummins who will take the Presidential role leading ERS into the future.

He thanked the Board of Directors, Management, Staff, City of Greater Bendigo staff, and our loyal customers for their assistance in making Eaglehawk Recycle Shop a better facility during the 2021-22 year.

Managers' Report

Annette reported that the year had seen a lot of challenges and achievements conquered, with changes to the site in the implementation of a product placement plan, with limitations on product being stored prior to transportation, this complimented by a daily product checklist to enable collections in a timely manner.

The easing of the pandemic seeing people returning to a new way of life, which has seen a fall in sales and the amount of customers compared to the previous year.

She noted that ERS must be vigilant with income streams to enable ERS to continue to provide the many free services to the residents of the City of Greater Bendigo.

The year has seen 9 new employees, and 5 employees move on to other employment opportunities.

She said that site tours held still amaze those in attendance of the volume of product coming through the site.

The new year will see Peter Buck step down from his role as Assistant Manager and going into semi-retirement. She said that Peters continued presence at ERS will be greatly missed and that he had been a great sounding board for her in her role. She thanked Peter and hoped that he enjoys his well-deserved semi-retirement.

Annette thanked the City of Greater Bendigo Resource and Recovery Team for their assistance over the past year, and also Mick Aylett for his assistance.

She thanked the Board of Management for their leadership in the running of the organisation and also thanked outgoing President – Leon Scott for his time in the role since the commencement of the new entity.

She ended by thanking the TEAM at ERS for an amazing year. The teamwork and continued efforts onsite along with the support given to her being very much appreciated.

Financial Report

Phillipa Spurling spoke to the financial report saying that the year had been financially sound for ERS with the organisation ending the year in a sound position.

Moved that all reports be accepted **CARRIED**

Election of Board for 2022/2023 Year

Annette Wiles was nominated as Returning Officer.

Election of President - one nomination of Jeff Cummins

Nominated by Leon Scott Seconded by Philippa Spurling. As only one nomination Jeff was declared elected.

Election of Vice President - One nomination of Leon Scott

Nominated by Jeff Cummins Seconded Dean Pearce. As only one nomination Leon was declared elected.

Election of Ordinary Independent Directors.

Nomination of Dean Pearce Nominated by Leon Scott Seconded by Jim Boyer

Nomination of Philippa Spurling Nominated by Len Williams Seconded by Jim Boyer

Nomination of Tim Miller Nominated by Jeff Cummins Seconded by Leon Scott

Nomination of Len Williams Nominated by Philippa Spurling Seconded by Jeff Cummins

Nomination of Jim Boyer Nominated by Dean Pearce Seconded by Leon Scott

As there were only five nominations, Dean, Philippa, Tim, Len and Jim were declared elected.

Annette congratulated the newly elected President and members of the Board and thanked them for their ongoing support and participation.

President Jeff Cummins thanked Leon for the past 6 years as President of the Board of Management and congratulated him on his leadership.

Meeting closed: 5.58pm

Minutes signed by President.....

Dated

Presidents Report 2022 - 2023

Eaglehawk Recycle Shop Inc (ERS) is a small to medium Not for Profit Social Enterprise operating at the entrance of the Eaglehawk landfill. Our mission is to create employment opportunities and provide cost effective recycling services to the Bendigo community by diverting waste from landfill.

It is with great pleasure I present my first report as President of ERS after taking over the role from Leon Scott. I thank Leon and all the Board of Directors, Dean Pearce, Tim Miller, Jim Boyer, Len Williams and Phillipa Spurling, who are all volunteers, for their support to me over the last 12 months. We are very fortunate to have a varied skill base amongst our Board of Directors who have all contributed enabling ERS to have another successful year. In a challenging financial year, a special thanks to Phillipa for providing sound financial budget advice to the business.

As a Social Enterprise ERS has a close relationship with our local community in not only providing a friendly and engaging environment for our staff and customers but also a wider community connection to the Eaglehawk community. I am pleased to report this year we were the major sponsor for the Queer Art Exhibition at the Eaglehawk Dahlia and Arts Festival, which showcased incredible art pieces throughout the local commercial precinct. ERS looks forward to continuing its collaboration with the festival organisers next year.

Over the past 12 months we have created employment opportunities for 18 staff. We are fortunate in having a mix of some very experienced staff and people seeking employment. Some of these job seekers are medium to long term unemployed and we are pleased to provide them with an excellent professional development program including equipment and machinery operating skills. An example of this is all our back end receival staff now have forklift licences. We also employ two supported workers who carry out varied duties to assist in their personal development. Our sales staff have great interpersonal skills and we pride ourselves in operating a business that is welcoming to our customers.

With the cost-of-living pressures facing our customers the Board has had to make some very challenging decisions this year to reduce some of our fees whilst ensuring the business is economically sustainable going forward. An example of this was the removed of the \$15 fee on refrigerated materials including air conditioners and refrigerators. We have a Refrigerant Trading Authorization with ARCTICK which authorises us to recover refrigerant gas in an environmentally sustainable fashion so our processing costs are significant. To off set this cost we examined the fluctuations of commodity prices in the ferrous and non-ferrous market and decided to value add by the recovery of valuable metals including copper and compressors.

We continue to provide free recycling services to our community for the safe disposal of household materials including, polystyrene, Detox your home (fluro's and household batteries), Paintback, Cardboard and E-waste and Refrigeration.

The Victorian State Government through Recycle Victoria has set some very ambitious landfill diversion targets. We have worked closely with the City of Greater Bendigo in assisting them in the recycling some problematic waste streams including soft plastics and textiles. We have a close relationship with the Council and have regular meetings with Brooke Pearce and her Council's Resource, Recovery and Education team to ensure the efficient operation of both ERS and the landfill. This year we have reported 10,875 tons of recyclable material diverted from landfill which was approx. 600 tons less than last year. For the 2023/24 financial year we have implemented a major program in introducing weighing stations to accurately report on tonnages recovered in our resource recovery area and yard sales.

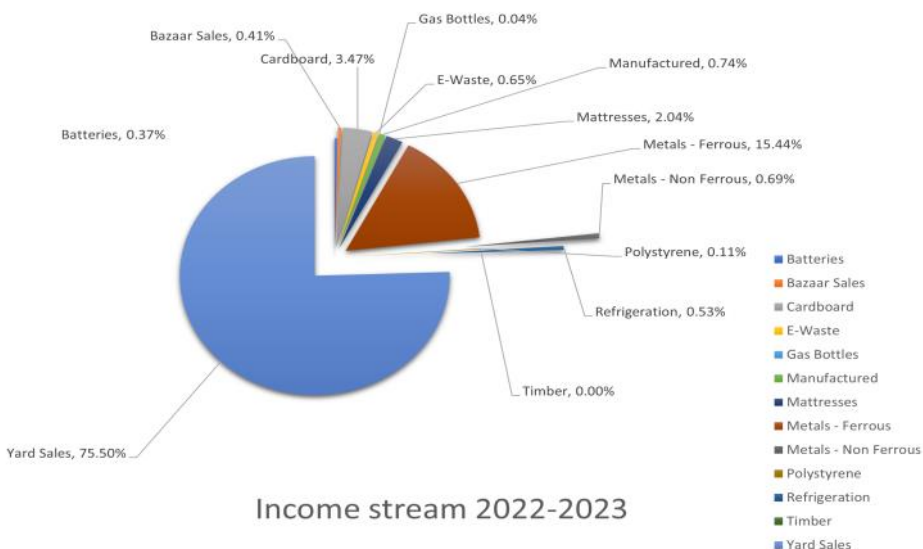
Regulatory compliance is important at ERS and I am pleased to advise following a visit from EPA we received advice from this environmental regulator our policies, procedures and operations were in full compliance. We strive to not only maintain compliance with appropriate environmental standards but also undertake best practice practices environmental management practices, which is a testament to good housekeeping undertaken by our staff.

A special thanks to our Management team at ERS, led by our Manager Annette Wiles who continues to provide outstanding leadership qualities, also our Assistant Manager Jean O’Keefe and to our very experienced and competent leading hands in our recovery area in James Sutherland and Jason Whitburn. We are fortunate to have great staff at ERS and I look forward to working with you all again next year.

Jeff Cummins - President

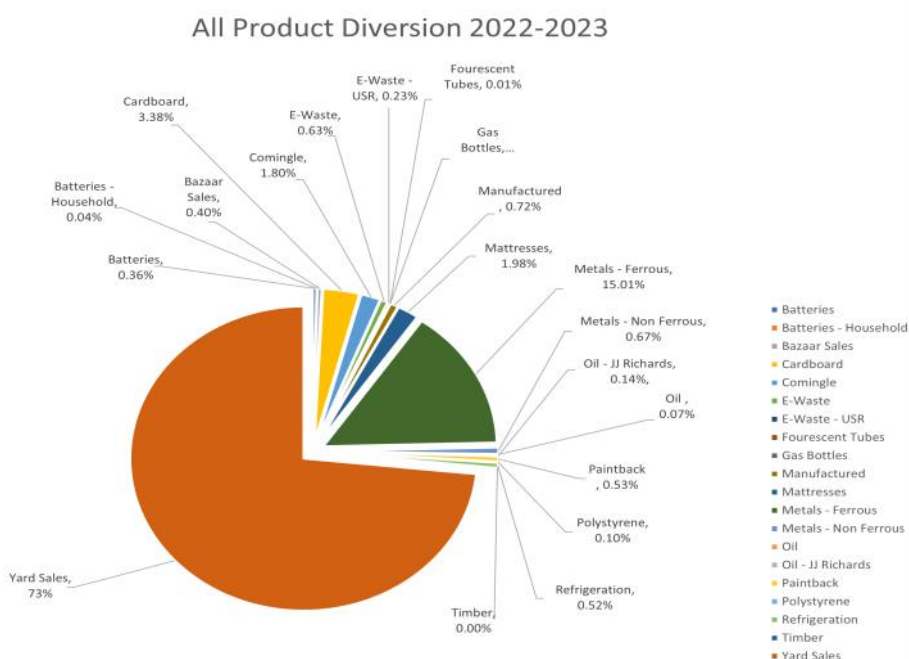
Income Stream

ITEM	TONNAGE	%
Batteries	38.684	0.37%
Bazaar Sales	43.613	0.41%
Cardboard	367.180	3.47%
E-Waste	69.041	0.65%
Gas Bottles	3.715	0.04%
Manufactured	78.697	0.74%
Mattresses	215.508	2.04%
Metals - Ferrous	1632.177	15.44%
Metals - Non Ferrous	72.864	0.69%
Polystyrene	11.208	0.11%
Refrigeration	56.300	0.53%
Timber	0.000	0.00%
Yard Sales	7979.564	75.50%
Total	10568.550	100.0%



Landfill Diversion

ITEM	TONNAGE	%
Batteries	38.684	0.36%
Household Batteries	4.314	0.04%
Bazaar Sales	43.613	0.40%
Cardboard	367.180	3.38%
Co-mingle	195.770	1.80%
E-Waste	69.041	0.63%
E-Waste - United Star	25.457	0.23%
Flourescent Tubes	1.368	0.01%
Gas Bottles	3.715	0.03%
Manufactured	78.697	0.72%
Mattresses	215.508	1.98%
Metals - Ferrous	1632.177	15.01%
Metals - Non Ferrous	72.864	0.67%
Oil	7.187	0.07%
Oil JJ Richards	14.700	0.14%
Paintback	58.040	0.53%
Polystyrene	11.208	0.10%
Refrigeration	56.300	0.52%
Timber	0.000	0.00%
Yard Sales	7979.564	73.37%
Total	10875.386	100.00%



Managers Report 2022 - 2023

Eaglehawk Recycle Shop Inc has again provided an excellent service to the community of the City of Greater Bendigo and surrounds in the diversion of waste to landfill and the creation of employment opportunities during the 2022 – 2023 year.

The site continues to improve with work practices that have been successful over the years being enhanced with the introduction of new ones. The staff continue to be involved in the operation of the site, coming up with new ideas and different processes that can be implemented for better work practices and to ensure the sustainability of the enterprise.

Tours of the site are held for schools, councils, and various groups / organisations, these continue to be very successful.

This year saw over 46,000 individual sales through the site, this includes approximately 42,000 through the sales area with the remainder from fees collected in the receiving area, it is to be noted that these are only the sales from income and do not include the individuals that drop off their recyclables free of charge. The amount of people that come through the receiving areas would be good information to have, it gets pretty busy up there. A car counter has been installed at the entrance to this area so we will have a better idea of the number of vehicles going through in the future.

Our relationship with the City of Greater Bendigo continues to evolve with ERS joining with the City in the receipt of textiles and soft plastics, ERS has become a collection point for these items with the City providing an employee for the sorting and baling.

As mentioned in the Presidents Report the 2023/24 year will see the weighing of all product received prior to it being taken to the sales area, two sets of scales have been installed, one for the weighing of product which is placed on pallets and a larger set which are capable of weighing the electric vehicle and also the trailer. These scales will also come in useful with the weighing of scrap metals collected from e-waste which go to our metal bins, the weighing of soft plastic bales and textiles prior to being collected. Although this has added extra work to staff the introduction of this system will be beneficial to the enterprise.

I would like to thank the City of Greater Bendigo, in particular Brooke Pearce and Mick Aylett, our catch ups have been beneficial to both parties and I look forward to the coming year working with them and their teams.

To the Board of Management, I thank you for your input and guidance over the past year this has been very much appreciated by myself and all staff, your interest in the operations and assistance when required has been beneficial for all.

A huge thank you to our Supervisors, Jason Whitburn and James Sutherland who have been great sounding boards for me over the year and also a great help in the daily operations of the enterprise. Thank you to our Assistant Manager, Jean O'Keefe in her assistance given to me over the year and Dalton Treble in his role as Saturday Supervisor.

To the staff ERS, thank you for another great year, your teamwork, your knowledge and your abilities are what makes this a successful enterprise, thank you for the year that was and your willingness to get things done and not only in the collection of product but also in the upkeep and tidiness of the site. I look forward to moving forward with you all in the year to come.

Annette Wiles - Manager

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Financial Statements

For the Year Ended 30 June 2023

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Contents

For the Year Ended 30 June 2023

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Statement by Members of the Committee	18
Independent Audit Report	19
Certificate by Members of Committee	21

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	1,229,595	1,247,482
Finance income		7,183	525
Other income	4	4,925	23,237
Employee benefits expense		(983,625)	(899,364)
Depreciation and amortisation expense		(23,983)	(22,899)
Administration		(44,188)	(51,707)
Baler Expenses		(9)	(1,085)
Fuel Expenses		(10,634)	(8,438)
Landfill Fees		(18,593)	(19,324)
Mattresses Expenses		(85,459)	(76,850)
Minor Equipment		(9,035)	(7,937)
Provision for Maintenance		(40,000)	(101,123)
Vehicle Expenses		(5,737)	(33,594)
Other expenses		(7,791)	(14,867)
Profit before income tax		12,649	34,056
Income tax expense		-	-
Profit from continuing operations		12,649	34,056
Profit for the year		12,649	34,056
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Items that will be reclassified to profit or loss when specific conditions are met			
Total comprehensive income for the year		12,649	34,056

The accompanying notes form part of these financial statements.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

**Statement of Financial Position
As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	551,256	548,386
Trade and other receivables	7	27,337	20,901
TOTAL CURRENT ASSETS		578,593	569,287
NON-CURRENT ASSETS			
Property, plant and equipment	8	87,811	111,794
TOTAL NON-CURRENT ASSETS		87,811	111,794
TOTAL ASSETS		666,404	681,081
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	36,765	48,409
Employee benefits	10	37,224	48,219
TOTAL CURRENT LIABILITIES		73,989	96,628
NON-CURRENT LIABILITIES			
Employee benefits	10	66,398	53,032
TOTAL NON-CURRENT LIABILITIES		66,398	53,032
TOTAL LIABILITIES		140,387	149,660
NET ASSETS		526,017	531,421
EQUITY			
Reserves	11	150,209	168,262
Retained earnings	12	375,808	363,159
TOTAL EQUITY		526,017	531,421

The accompanying notes form part of these financial statements.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	General Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2022	363,159	168,262	531,421
Profit/(Loss) attributable to members of the association	12,649	-	12,649
Movement in reserve	-	(18,053)	(18,053)
Transactions with owners in their capacity as owners			
Balance at 30 June 2023	375,808	150,209	526,017

2022

	Retained Earnings	General Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2021	329,103	67,139	396,242
Profit/(Loss) attributable to members of the association	34,056	-	34,056
Contribution to reserve	-	101,123	101,123
Transactions with owners in their capacity as owners			
Balance at 30 June 2022	363,159	168,262	531,421

The accompanying notes form part of these financial statements.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,274,098	1,327,988
Payments to suppliers and employees	(1,278,411)	(1,140,102)
Interest received	7,183	525
Net cash provided by/(used in) operating activities	18 <u>2,870</u>	<u>188,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(47,640)
Net cash provided by/(used in) investing activities	-	<u>(47,640)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	2,870	140,771
Cash and cash equivalents at beginning of year	<u>548,387</u>	<u>407,615</u>
Cash and cash equivalents at end of financial year	6 <u>551,257</u>	<u>548,386</u>

The accompanying notes form part of these financial statements.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

The financial statements cover Eaglehawk Recycle Shop Inc. as an individual entity. Eaglehawk Recycle Shop Inc. is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The principal activities of the Association for the year ended 30 June 2023 were to operate a not for profit enterprise with the aim of diverting reusable items and recycleable waste from landfill and creating local jobs for people previously unemployed.

The functional and presentation currency of Eaglehawk Recycle Shop Inc. is Australian dollars.

The financial report was authorised for issue by the Committee of Management on 30 August 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Act.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% to 20%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Eaglehawk Recycle Shop Inc. receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Association holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Leases

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

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

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

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note for details of the changes due to standards adopted.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

The board of management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
- sale of goods	1,229,595	1,247,482

	2023	2022
	\$	\$
Other Income		
- Wages Subsidy	4,925	23,237

5 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Other expenses:		
Employee benefits expense	983,625	899,364
Depreciation expense	23,983	22,899

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	193,548	297,861
Deposits at call	357,708	250,525
	<u>551,256</u>	<u>548,386</u>

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	27,337	20,901
Total current trade and other receivables	<u>27,337</u>	<u>20,901</u>

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

8 Property, plant and equipment

Plant and equipment		
At cost	118,471	118,471
Accumulated depreciation	(75,780)	(66,836)
Total plant and equipment	<u>42,691</u>	<u>51,635</u>
Motor vehicles		
At cost	128,370	128,370
Accumulated depreciation	(83,250)	(68,211)
Total motor vehicles	<u>45,120</u>	<u>60,159</u>
Total property, plant and equipment	<u>87,811</u>	<u>111,794</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	-	51,635	60,159	111,794
Additions				
Depreciation expense	-	(8,944)	(15,039)	(23,983)
Balance at the end of the year	-	42,691	45,120	87,811
	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2022				
Balance at the beginning of year	-	47,044	40,009	87,053
Additions				
Additions	-	13,750	33,890	47,640
Depreciation expense	-	(9,159)	(13,740)	(22,899)
Balance at the end of the year	-	51,635	60,159	111,794

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

9 Trade and Other Payables

	Note	2023 \$	2022 \$
CURRENT			
Trade payables		27,440	39,916
GST payable		9,246	8,493
Mattresses on hand		79	-
		<u>36,765</u>	<u>48,409</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

10 Employee Benefits

	2023 \$	2022 \$
Current liabilities		
Annual leave	<u>37,224</u>	<u>48,219</u>
	<u>37,224</u>	<u>48,219</u>
	2023 \$	2022 \$
Non-current liabilities		
Long service leave	<u>66,398</u>	<u>53,032</u>
	<u>66,398</u>	<u>53,032</u>

11 Reserves

	2023 \$	2022 \$
Maintenance Reserve		
Opening Balance	168,262	67,139
Transfers in	40,000	101,123
Transfers out	(58,053)	-
Total	<u>150,209</u>	<u>168,262</u>

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

12 Retained Earnings

	2023	2022
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	363,159	329,103
Net profit attributable to members of the association	12,649	34,056
Retained earnings at end of the financial year	375,808	363,159

13 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables

Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Financial Risk Management

Liquidity risk

The Association manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Eaglehawk Recycle Shop Inc. has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Association's standard payment and delivery terms and conditions are offered. The Association review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Committee of Management receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Association's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

13 Financial Risk Management

Credit risk

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Eaglehawk Recycle Shop Inc. during the year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	136,905	139,012

15 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor [Strategem, for:] - auditing or reviewing the financial statements	3,400	3,200

16 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2023 (30 June 2022: None).

17 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2023

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Profit for the year	12,649	34,056
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	23,983	22,899
- provision for maintenance reserve	40,000	101,123
- maintenance reserve expenditure	(58,053)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(6,436)	3,440
- increase/(decrease) in trade and other payables	(11,644)	9,454
- increase/(decrease) in provisions	2,371	17,439
Cashflows from operations	<u>2,870</u>	<u>188,411</u>

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 30 August 2023 by the Committee of Management.

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

20 Statutory Information

The registered office and principal place of business of the association is:

Eaglehawk Recycle Shop Inc.
189 Upper California Gully Road
Eaglehawk, Vic, 3556

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 1 to 17:

1. Present fairly the financial position of Eaglehawk Recycle Shop Inc. as at 30 June 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Eaglehawk Recycle Shop Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:


.....
Jeff Cummins (Committee Member)
.....
Dean Pearce (Committee Member)

Dated 30 August 2023

Eaglehawk Recycle Shop Inc.

Independent Audit Report to the members of Eaglehawk Recycle Shop Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eaglehawk Recycle Shop Inc. (the Association), 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, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Reform Act 2012.

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 Association in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF EAGLEHAWK RECYCLE SHOP INC.**

Report on the audit of the financial statements

Qualification

As is common for organisations of this type, it was not practicable to establish accounting control over income from remaining sources prior to their receipt in the accounting records of the association. Accordingly, it was not practicable in relation to such income to extend our examination beyond the amounts recorded in the accounting records of the association, and as such our audit in relation to this revenue was limited to the amounts recorded.

Qualified Opinion

We have audited the financial report of the Eaglehawk Recycle Shop (the Association), which comprises the statement of financial position as at 30 June 2023, the income and expenditure statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, and certification by members of the committee that the annual statements give a true and fair view of the financial position of the association.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report presents fairly, in all material respects, the financial position of the Eaglehawk Recycle Shop Inc. as at 30 June 2023, and its financial performance for the year then ended in accordance with the requirements of the Associations Incorporation Reform Act 2012.

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 Association in accordance with the auditor independence requirements of 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 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

Without further modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Eaglehawk Recycle Shop Inc. to meet the requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Head Office

P 03 5445 4777 F 03 5441 5264
35 Mundy Street, Bendigo, VIC 3550
PO Box 839, Bendigo, VIC 3552

Melbourne

P 03 8621 8100 F 03 8621 8199
Level 7, 333 Collins Street, Melbourne VIC 3000
PO Box 173 Collins St West, Melbourne VIC 8007

*Enriching
Lives*

Our opinion is not modified in respect of this matter.

Responsibilities of the committee and those charged with governance for the financial report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Associations Incorporations Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Justin Gordon FCPA

Lead Auditor

Strategem Audit Services

35-37 Mundy Street, Bendigo, Vic, 3550

Dated this 4th day of September 2023

*Enriching
Lives*

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Certificate by Members of Committee

Annual statements give true and fair view of financial performance and position of incorporated association

We, Jeff Cummins and Dean Pearce, being members of the Committee of the Eaglehawk Recycle Shop Inc., certify that -
The statements attached to this certificate give a true and fair view of the financial performance and position of Eaglehawk Recycle Shop Inc. during and at the end of the financial year of the association ending on 30 June 2023.

Dated 30 August 2023



Jeff Cummins (Committee Member)



Dean Pearce (Committee Member)

Partners



Eaglehawk Recycle Shop Inc
189 Upper California Gully Road
Eaglehawk Vic 3556
www.eaglehawkrecycleshop.com

The cover features a large, stylized graphic on the right side consisting of several overlapping, curved bands in shades of teal and dark blue, creating a sense of movement and depth. The text is centered within a dark blue circular area that overlaps these bands.

Annual Report 2023