

Partners



Eaglehawk Recycle Shop Inc

Annual General Meeting

Tuesday 22nd November at 5.00pm
Held at Eaglehawk Recycle Shop
189 Upper California Gully Road Eaglehawk

AGENDA

1. Welcome from President Leon Scott
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 2022 / 2023.
 - President, Vice President, Independent Board Members.
7. General discussion
8. Meeting closes.

Board of Management & Staff

BOARD OF MANAGEMENT:

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

STAFF:

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

Staff who have left during the year

Braiden Bergman	- Recovery / Recycling
Colin Campbell	- Recovery / Recycling
Christopher Costello	- Recovery / Recycling
Zach Hockley	- Recovery / Recycling

Minutes of Annual General Meeting of Eaglehawk Recycle Shop Inc

held 5.30pm 17 November 2021

at the Eaglehawk Recycle Shop

Present; Leon Scott, Rod Hanson, Jeff Cummins, Dean Pearce , Tim Miller, Len Williams, Peter Buck, Annette Wiles, Peter Cox (former Mayor)

Apologies: Mayor Andrea Metcalf, Cr Rod Fyffe, Cr Julie Stone, Steve Griffin, Justin Gordon – auditor, Mal Telford.

Minutes: That the Minutes of the Meeting held 20th October 2020 be accepted. Cummins / Pearce **CARRIED**

Presentation of Annual Report

President Leon Scott presented in his report that it had been a challenging year with the events of the pandemic, with the closure of the site for deep cleaning and staff having to isolate. He congratulated management and staff on their continued commitment to the organisation.

He said that people who were laid off or forced to take time off during the pandemic had taken the opportunity to clean out their homes and bring their unwanted goods to our site and, also to browse through the shop looking for home projects to do.

He reported that the metal prices had increased significantly over the year which has covered the poor return for cardboard and the increase in product for sale had been a saving grace. He said that with sound management ERS finances continue to be in the black, with long service leave annual leave and maintenance reserve all accounted for.

He reported that the large cardboard compactor was operating at near capacity with alterations needed to be made to the cardboard cages to allow for this machine to operate at full capacity and that it was wonderful to see this time saving machine in operation.

He reported that 3,600 mattresses had been received with the stripping of approx 2,800 with the operation becoming problematic as the steel recyclers no longer take large quantities of mattress springs and the cost to dispose of the waste material almost doubled in price since October 2020. The sales yard and bazaar continue to be major contributors to the financial security of the enterprise. With the ban on e-waste to landfill imposed by Sustainability Victoria this product has expanded the opportunity for ERS, the year saw a purpose built shed for the storage of e-waste by Sustainability Victoria. Sims Metals agreed to collect our e-waste and pay us \$28 per tonne for in scope items, but due to the large quantities collected and the loss of markets for the product this amount was reduced to nil and in April 2021 they decided to get out of e-waste. Negotiations took place with United Star to accept our e-waste and they are paying for some of our product.

Leon said “ERS has an excellent rapport with the City of Greater Bendigo and both continually strive to reduce recyclable materials going to landfill”. With the proliferation of unprofitable good expected to be recycled, ERS has to look very closely at what we can offer. Free services offered at the site are car batteries, polystyrene, detox your home items (flouros, household batteries, paint) and e-waste. Polystyrene continues to be a large problem, taking up a lot of space and time and energy to process, the return on this is only around 8% of its handling cost, but the saving on landfill space is enormous.

He continued to say that unfortunately, this year we say farewell to Director Rod Hanson who is returning to Sydney with his family. Rod has been a very active committee member since 2016 and Deputy President for most of that time. His ability to absorb the workings and decision making along with his management skills and business acumen will be greatly missed. We thank you for your 5 ½ dedicated years to the organisation.

President Leon finished by thanking the Board of Directors, Management, Staff and our loyal customers for their assistance in making the Eaglehawk Recycle Shop a better facility during the 2020-21 year.

Managers Report

Manager Annette Wiles spoke to her report saying the 2020- 2021 year has been a year of challenges which she believed the team at ERS have turned into achievements and that like many other businesses we have felt the affects of the COVID-19 Pandemic with the unknown as to what will happen next or what impacts it will have on the organisation, but, we continued on doing what we do best. With the lockdowns and businesses being closed some have taken the opportunity clean up of their premises of unwanted furniture, goods and recyclable materials which they have brought to ERS. The general public have also done the same within their households, also taking opportunity to clean up their sheds and gardens. It is surprising how many businesses and people have discovered our drop off area for the first time. Many have also discovered the Sales Yard for the first time and are surprised by the array of items available.

She said that there was a drop in paying customers to 47,000 this year due to the pandemic, which has affected our income from sales, but due to the increase in the price of metals we collect this has covered the shortfall.

She said the year has seen a few new changes to the site, with the implementation of new procedures and the finalisation of a new site plan where different products are stored prior to being dispersed for further recycling, with a product check sheet being completed daily to ensure that the product on site is kept to certain amount, with trigger numbers as to when to order loads out.

Annette reported on the many free services for the Greater Bendigo area in its attempts to reduce waste going to landfill and create employment. Employment is not only created for ERS staff, it is created through the sales area where people purchase products to upcycle and sell on, or clean up and sell at markets.

Annette acknowledged the City of Greater Bendigo Resource, Recovery & Education Department for their assistance during the year.

She reported that the year had been challenging, but the organisation had survived thanks to good leadership from the Board of Management whose expertise in their fields have been of great benefit to the operation. "To the Board of Management – We Thank You". Rod Hanson will be leaving our Board this year, Rod has been a valuable part of the Management Team and his presence and questions will be missed. Thank you Rod for all of your input, it has been much appreciated.

She also wholeheartedly thanked the team of ERS who have seen the organisation through a very difficult time and continue to strive to achieve best outcomes for the organisation as a whole.

In ending she thanked Peter Buck who stepped down from the role of Manager into Assistant Manager last year after 27 years, saying that "Peter and I have been a team for many years and we will continue to do so. She thanked Peter for all of his confidence in her and his support".

Financial Report

Rod Hanson spoke to the audit report saying that with thanks to commodity prices it has been a good year and that the organisation was in a good financial position. After budgeting for a break even year but due to commodity prices the year turned out better than expected

Moved that all reports be accepted Pearce/Miller **CARRIED**

President Leon Scott took a moment to reflect on his association with Rod Hanson and his involvement in Community Organisations. Then in 2016 Peter Cox contacted community members including Rod to form a new committee to undertake the continuance of the Eaglehawk Recycle Shop, he said that Rod had done an excellent job in helping the organisation to be where it is and hoped that he enjoyed his time going back to Sydney. Leon thanked Rod very much for his input and presented him with a gift of appreciation.

Election of Board for 2021/2022 Year

Annette Wiles was nominated as Returning Officer.

Election of President - one nomination of Leon Scott.

Nominated by Dean Pearce Seconded by Tim Miller. As only one nomination Leon was declared elected.

Election of Vice President - One nomination of Steve Griffin.

Nominated by Jeff Cummins Seconded by Len Williams. As Stephen was not at the meeting the Acceptance of Nomination was not completed.

Election of Ordinary Independent Directors.

Nomination of Jeff Cummins Nominated by Tim Miller Seconded by Dean Pearce.

Nomination of Dean Pearce Nominated by Tim Miller Seconded by Leon Scott

Nomination of Tim Miller Nominated by Dean Pearce Seconded by Leon Scott

Nomination of Len Williams Nominated by Leon Scott Seconded by Dean Pearce As there were only four nominations, Jeff, Dean, Tim and Len were declared elected.

Annette congratulated the elected Board and thanked them for their ongoing support and participation.

General discussion – as there was no general discussion the meeting was declared closed.

Meeting closed:5.56pm

Presidents Report 2021-2022

This year has again seen the Eaglehawk Recycle Shop staff face several challenging events. We have had to live through the end of the pandemic and then through the vast shortage of unemployed people seeking employment, along with prices dropping for metals and with Ewaste now having to be collected for no monetary reward at all. Our staff has handled these situations in a professional manner to keep the business operating successfully.

The above paragraph highlights the ethos that have been constantly fostered during 2021-22 and I have pleasure in presenting this report on the activities of the Eaglehawk Recycle Shop Inc. for the year.

As we move from the hurdles of Covid to staff shortages It has been a very trying time for our organization whilst doing our best to keep our staff safe from the last of the virus and continuing to serve the residents of the Greater Bendigo environs with their recycling requirements. Last year we had a glut of recyclables but as people return to work the recyclables have dried up considerably. Also with Thales completing the 1000 Hawkei's vehicles project, the truckloads of timber boxes and pallets ready for stripping have stopped.

This enterprise continues to be a hub for recycling for the Bendigo Subregion with 11498 tonnes of recyclable material saved from going to landfill during the past year. This was down 100 tonne from last year which we believe was Covid related.

However with sound management, ERS finances continue in the black with long service, annual leave and maintenance reserves all accounted for.

The large cardboard baler is operating at near capacity which is fantastic as we can be easily swamped with the amount of product coming in. 4 newly designed cardboard cages have been manufactured to allow the baler to operate at full capacity. It is wonderful to see this time saving machine in operation.

A continuing large part of the ERS operation is, collecting and stripping of mattresses, with 3994 being handled this year. Up nearly 1000 from 20-21. Most of the wadding from the mattresses is taken to the sales area to use for wrapping of items purchased for transportation with the remaining waste going to landfill whilst the steel springs and frame are recycled. A small percentage is not being able to be stripped and we have formed a relationship with a Metropolitan firm who take these mattresses for treatment, saving them from having to go to landfill

The sales yard including the Bazaar is still the major contributor for the financial security of the enterprise. The Bazaar sells good quality clothing, other quality items and nick-nacks and has been a winner and drawcard to the site.

The State Government decided that from 1st July 2019 E waste (anything with a cord or battery) was no longer allowed to be dumped at landfill, all must be recycled. This was to be an expanded opportunity for ERS. The Government supplied a new building to sort and store the E waste. Sims Metals agreed to accept our E waste and pay us \$28.00 per tonne. Because of the large quantities collected and the loss of markets for the product they dropped the price to nil and in April 2021 they decided to pull out of the market completely. Negotiations were made with United Star to accept our E waste and they are paying for some of our product. Forkliftable stillages are being used to hold all product, saving many hours of manual handling. For the 2019-20 year we collected 321 tonnes of E waste and in 2020-21 the tally was 185 tonne. By changing to United Star, hopefully this may turn a loss making segment into a break even result.

ERS has an excellent rapport with the City of Greater Bendigo (our landlords). Both organizations continually strive to reduce recyclable materials going into landfill. Over the past year there have been several meetings, working towards further strategies to manage the expected rise and diversity of recyclables coming into the system since the closure of many waste streams going to China.

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 (fluro's and household batteries), cardboard and E waste.

Polystyrene is still a large problem as it is light, takes a lot of space and normally has sticky tape on it which must be removed before processing. The return on this product is only around 8% of its handling and production cost, but the saving on landfill space is enormous.

Our staff, led by Manager Annette Wiles and Assistant Manager Peter Buck, continue to service our customers with polite and friendly service with a focus towards educating the clientele on how they can save their money by pre sorting their loads and making most use of ERS facilities. As new management procedures and opportunities take place they are quickly endorsed as we strive towards best practice in the industry. We are up to date with Government regulations.

Management is continually seeking customers for our products, and as there has been a glut in certain recycled goods, there is a continuing effort to find new outlets. As part of our advertising strategy, schools and clubs are invited to group visit the centre, our web site is working well and pamphlet give aways are produced. The back of a Bendigo Transit Bus has been sign written with ERS information. The decision to continue with this form of advertising will be decided each year.

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

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 with Philippa Spurling and Jim Boyer joining the Board of Management in February 2022.

After having held the President's position for 6 years I will have 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.

I thank our 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.

Leon M. Scott, OAM

PRESIDENT



Aerial view Eaglehawk Recycle Shop and receiving area

Managers Report 2021-2022

Another year has passed, and another lot of challenges and achievements conquered.

The 2020- 2021 year has seen quite a few changes at the site with the implementation of a revised site product placement plan where we have set limitations on the amount of product that is stored prior to being transported for further recycling at other venues. The site plan is complimented with a daily product check sheet which triggers when to order collections. This system is working well and further enables the team to maintain the site in a structured and orderly fashion, keeping us within the EPA guidelines of acceptable storage and creating a safe space for employees and visitors alike.

With the pandemic easing at the end of 2021 and people starting to return to a new way of life we have seen a further fall in sales. The 2020/2021 financial year saw 47,951 individual transactions; in 2021/2022 there were 42,264, a decrease of 5,700 individual transactions. The price of metals during this year were at the highest they have been in the past 5 years; this has helped with the shortfall of income from the sales yard.

At Eaglehawk Recycle Shop (ERS) we must be very vigilant with our income streams and strive to gain the best income from the few that we have, to enable us to continue to provide the free services to the residents of the City of Greater Bendigo and surrounds. Our organisation aims to create employment, reduce waste to landfill and continue to be financially self-sustaining. To this point in time, I believe we have been able to achieve our goals.

The year had seen 9 new employees commence and 5 employees move on to other employment. We ended the year with 15 employees, all of whom have different strengths and knowledge and make up a very good crew. The team work well together and strive to keep the site productive whilst continuing to provide excellent customer service. This is a great team at ERS, they have been crucial in the achievement of the organisational goals.

Site tours held over the year continue to amaze those that attend by sheer volume of product that comes through the site, it also gives them another way of looking at how we are structured. Many still do not realise that we are not council run (this is the first line of every tour held). We also work in conjunction with the City of Greater Bendigo and ERS is included in the tours they have at the landfill.

The New year will see Peter Buck step down from his role as Assistant Manager and go to working 2 days per week, he is calling it "semi-retirement". Peter has been at the ERS for 29 years and has been at the helm of it for 27 of those years. Peter's full-time presence will be greatly missed, he has been a great sounding board for me and we have had a great working relationship for the 8 years on site here and the previous 9 years when I worked at the office of the then managing organisation. I thank Peter for all he has done for ERS and hope he enjoys his "semi-retirement".

I would like to thank the City of Greater Bendigo Resource and Recovery Team for their assistance over the past year, my talks with them and also Mick Aylett have been very helpful I believe for both entities.

I thank the members of the Board of Management, both old and new, for their assistance in running the organisation, you are an amazing group of people and the team at ERS also thank you for the belief you have in them. The new year will see Leon Scott step down from the position of President which he has held since the new Board joined together in 2016 – thank you Leon for holding the reigns so well during your time. Jeff Cummins will be stepping into this role and I look forward to working with him going forward.

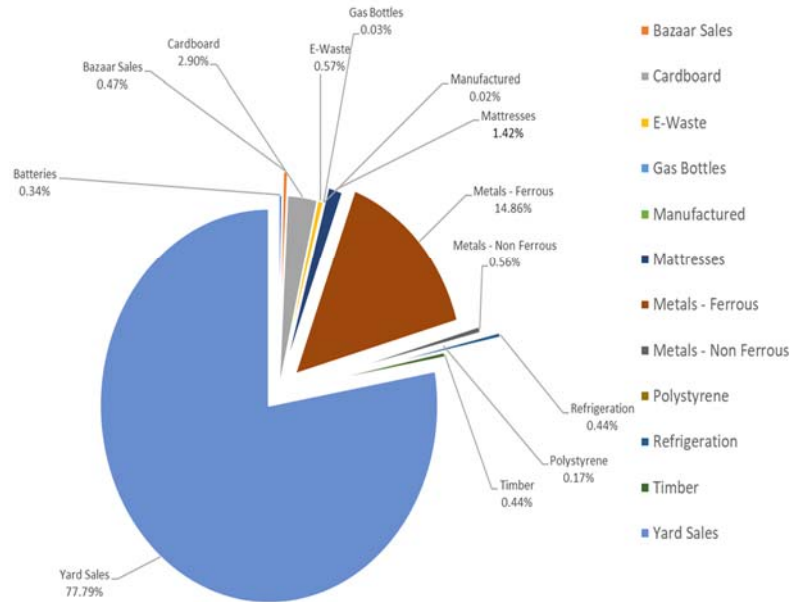
Finally – I wholeheartedly thank the TEAM at ERS for an amazing year. Your teamwork and continued efforts onsite along with the support you have given to me has been very much appreciated – thank you all.

Annette Wiles

Income Stream

ITEM	TONNAGE	%
Batteries	37.984	0.34%
Bazaar Sales	52.457	0.47%
Cardboard	326.040	2.90%
E-Waste	64.583	0.57%
Gas Bottles	3.025	0.03%
Manufactured	2.679	0.02%
Mattresses	159.773	1.42%
Metals - Ferrous	1672.120	14.86%
Metals - Non Ferrous	62.770	0.56%
Polystyrene	19.630	0.17%
Refrigeration	49.190	0.44%
Timber	49.010	0.44%
Yard Sales	8752.784	77.79%
Total	11252.045	100.00%

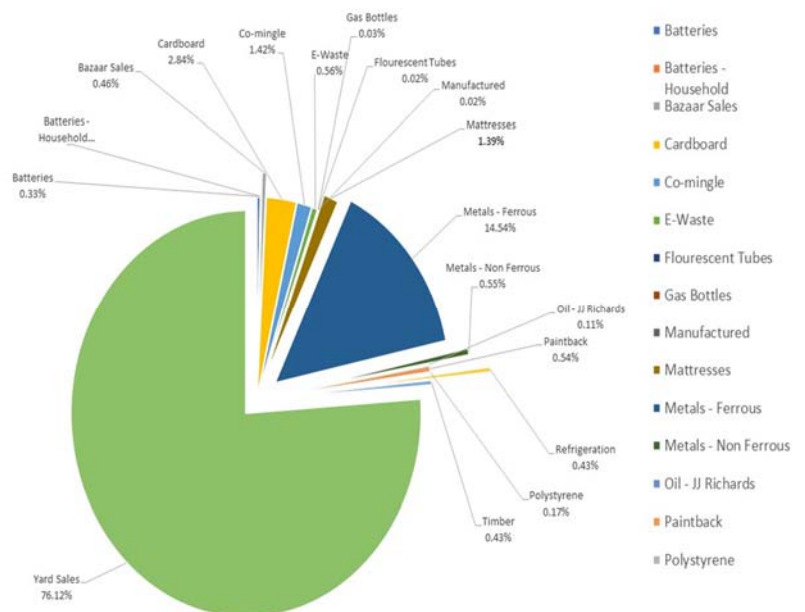
Income Stream



Landfill Diversion

ITEM	TONNAGE	%
Batteries	37.984	0.33%
Batteries - Household	6.712	0.06%
Bazaar Sales	52.457	0.46%
Cardboard	326.040	2.84%
Co-mingle	163.307	1.42%
E-Waste	64.583	0.56%
Flourescent Tubes	1.816	0.02%
Gas Bottles	3.025	0.03%
Manufactured	2.679	0.02%
Mattresses	159.773	1.39%
Metals - Ferrous	1672.120	14.54%
Metals - Non Ferrous	62.770	0.55%
Oil - JJ Richards	12.600	0.11%
Paintback	61.977	0.54%
Polystyrene	19.630	0.17%
Refrigeration	49.190	0.43%
Timber	49.010	0.43%
Yard Sales	8752.784	76.12%
Total	11498.457	100.00%

ERS Diversion Report 2021-22 All product




Eaglehawk RECYCLE SHOP

Drop-off Sales News About Links Contact Us

182 Upper California Gully Road, Eaglehawk

Recovery Area
 Open 7 days a week,
 Monday to Friday: 8am - 4:00pm
 Saturday & Sunday: 8am to 4:30pm
 Closed Good Friday & Christmas Day

Recycle Shop & ERS Bazaar
 Mon, Tues, Thurs, Fri, Sat: 8:30am - 4:00pm
 Wednesday: 9:30am - 4:00pm
 Sunday & Public Hols: 10:30am - 3:30pm
 Closed Good Friday, Anzac Day & Christmas Day



About

The Eaglehawk Recycle Shop is a not for profit social enterprise and is governed by a voluntary Board of Management. It is not a Council operated business but Council provides the site for peppercorn rent as ERS reduces waste going to landfill and saves the Council and its ratepayers hundreds of thousands of dollars annually.



Polystyrene is collected and compacted on site. As you can see below the weight of a polystyrene box is 1/2 a kilo. The compacted polystyrene on the pallet weighs 370 kgs. That is approx. 740 polystyrene boxes that would have otherwise gone to landfill.




Financial Report

2021-2022

Eaglehawk Recycle Shop Inc.

ABN: 94 230 067 248

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Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	4	1,247,482	1,129,926
Finance income		525	-
Other income	4	23,237	74,499
Employee benefits expense		(899,364)	(834,975)
Depreciation and amortisation expense		(22,899)	(21,067)
Administration		(51,707)	(41,633)
Baler Expenses		(1,085)	(2,716)
Fuel Expenses		(8,438)	(6,216)
Landfill Fees		(19,324)	(30,187)
Mattresses Expenses		(76,850)	(20,523)
Minor Equipment		(7,937)	(7,967)
Provision for Maintenance		(101,123)	(26,840)
Vehicle Expenses		(33,594)	(39,920)
Other expenses		(14,867)	(7,323)
Profit before income tax		34,056	165,058
Income tax expense		-	-
Profit from continuing operations		34,056	165,058
Profit for the year		34,056	165,058
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		34,056	165,058

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 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	548,386	407,615
Trade and other receivables	7	20,901	24,342
TOTAL CURRENT ASSETS		569,287	431,957
NON-CURRENT ASSETS			
Property, plant and equipment	8	111,794	87,053
TOTAL NON-CURRENT ASSETS		111,794	87,053
TOTAL ASSETS		681,081	519,010
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	48,409	38,955
Employee benefits	10	48,219	37,608
TOTAL CURRENT LIABILITIES		96,628	76,563
NON-CURRENT LIABILITIES			
Employee benefits	10	53,032	46,205
TOTAL NON-CURRENT LIABILITIES		53,032	46,205
TOTAL LIABILITIES		149,660	122,768
NET ASSETS		531,421	396,242
EQUITY			
Reserves	11	168,262	67,139
Retained earnings	12	363,159	329,103
TOTAL EQUITY		531,421	396,242

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 2022

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

2021

	Retained Earnings	General Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2020	164,045	40,299	204,344
Profit/(Loss) attributable to members of the association	165,058	-	165,058
Contribution to reserve	-	26,840	26,840
Transactions with owners in their capacity as owners			
Balance at 30 June 2021	329,103	67,139	396,242

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 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,327,988	1,236,762
Payments to suppliers and employees	(1,140,102)	(1,032,660)
Interest received	525	-
Net cash provided by/(used in) operating activities	18 <u>188,411</u>	<u>204,102</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(47,640)</u>	(12,104)
Net cash provided by/(used in) investing activities	<u>(47,640)</u>	(12,104)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	140,771	191,998
Cash and cash equivalents at beginning of year	<u>407,615</u>	<u>215,617</u>
Cash and cash equivalents at end of financial year	6 <u><u>548,386</u></u>	<u><u>407,615</u></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 2022

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 2022 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 02 September 2022.

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 2022

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 2022

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
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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 that are solely payments of principal and interest on the principal amount outstanding.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

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 asset has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

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.

Eaglehawk Recycle Shop Inc.

ABN: 94 230 087 248

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(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.

(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 2022, 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.

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Notes to the Financial Statements For the Year Ended 30 June 2022

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
- sale of goods	1,247,482	1,128,426
- profit on sale of non current assets	-	1,500
Total Revenue	1,247,482	1,129,926

	2022	2021
	\$	\$
Other Income		
- ATO Cashflow Stimulus	-	53,176
- Wages Subsidy	23,237	21,323
	23,237	74,499

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other expenses:		
Employee benefits expense	899,364	834,975
Depreciation expense	22,899	21,067

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	297,861	257,615
Deposits at call	250,525	150,000
	548,386	407,615

7 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	20,901	24,342
Total current trade and other receivables	20,901	24,342

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2022

8 Property, plant and equipment

Plant and equipment		
At cost	118,471	104,721
Accumulated depreciation	(66,836)	(57,677)
Total plant and equipment	<u>51,635</u>	<u>47,044</u>
Motor vehicles		
At cost	128,370	94,480
Accumulated depreciation	(68,211)	(54,471)
Total motor vehicles	<u>60,159</u>	<u>40,009</u>
Total property, plant and equipment	<u>111,794</u>	<u>87,053</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 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	<u>-</u>	<u>51,635</u>	<u>60,159</u>	<u>111,794</u>
	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	-	55,091	40,925	96,016
Additions				
Additions	-	1,457	10,647	12,104
Depreciation expense	-	(9,504)	(11,563)	(21,067)
Balance at the end of the year	<u>-</u>	<u>47,044</u>	<u>40,009</u>	<u>87,053</u>

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2022

9 Trade and Other Payables

	2022	2021
Note	\$	\$
CURRENT		
Trade payables	39,916	32,862
GST payable	8,493	6,093
	<u>48,409</u>	<u>38,955</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

	2022	2021
	\$	\$
Current liabilities		
Annual leave	48,219	37,608
	<u>48,219</u>	<u>37,608</u>
	2022	2021
	\$	\$
Non-current liabilities		
Long service leave	53,032	46,205
	<u>53,032</u>	<u>46,205</u>

11 Reserves

	2022	2021
	\$	\$
Maintenance Reserve		
Opening Balance	67,139	40,299
Transfers in	101,123	26,840
Total	<u>168,262</u>	<u>67,139</u>

12 Retained Earnings

	2022	2021
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	329,103	164,045
Net profit attributable to members of the association	34,056	165,058
Retained earnings at end of the financial year	<u>363,159</u>	<u>329,103</u>

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2022

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.

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.

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Financial Risk Management

Liquidity risk

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.

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.

Eaglehawk Recycle Shop Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

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:

	2022	2021
	\$	\$
Short-term employee benefits	139,012	140,992

15 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor (Strategem, for:) - auditing or reviewing the financial statements	3,200	3,100

16 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2022 (30 June 2021: 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 2022

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:

	2022	2021
	\$	\$
Profit for the year	34,056	165,058
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	22,899	21,067
- provision for maintenance reserve	101,123	26,840
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	3,440	(8,208)
- increase/(decrease) in trade and other payables	9,454	(20,196)
- increase/(decrease) in provisions	17,439	19,539
Cashflows from operations	<u>188,411</u>	<u>204,100</u>

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 02 September 2022 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 2022 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:

Committee member


.....
Leon Scott

Committee member


.....
Dean Pearce

Dated 02 September 2022

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, Leon Scott 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 2022.

Dated 02 September 2022


.....
Leon Scott (Committee Member)


.....
Dean Pearce (Committee Member)

**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 2022, 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 2022, 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

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Melbourne

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Level 7, 333 Collins Street, Melbourne VIC 3000
PO Box 173 Collins St West, Melbourne VIC 8007

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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 9th day of September 2022

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