

REPORT TO SHAREHOLDERS

30th JUNE 2023



Directors	Mr. R. Spencer	Chairman
	Mr. R. Holland	Ms. C. Weller
	Mr. R. Herring	Mr. P. Maloney

Public Officer	Mr. L. O'Donnell	Secretary/Manager
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Auditors	Ax3 Partners Pty Ltd Level 2, Suite 201, 2 Queen St, Melbourne 3000
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EMERALD CO-OP, SERVING THE COMMUNITY SINCE 1945



EMERALD AND DISTRICT CO-OPERATIVE SOCIETY LIMITED
A.B.N. 76 711 301 698
315 - 317 MAIN ROAD EMERALD 3782
PHONE: (03) 5968 4222

REPORT TO SHAREHOLDERS - Y.E. 30/06/2023

Dear Member,

You are invited to attend the seventy- eighth Annual General Meeting of Shareholders on
Wednesday, 22nd November 2023 @ 7.00pm - Emerald RSL, 3 Memorial Ave, Emerald

A G E N D A

1. To confirm Minutes of the previous Annual General Meeting of 2022, and to consider business arising
2. To receive the report of the Board of Directors, Financial Report and the Auditor's Report for the year ended 30th June 2023
3. To re-appoint Ax3 auditors for the financial year 2023-24
4. To fix remuneration for Directors: The Board have agreed not to increase their current allowance paid for individual Directors as Fees set at \$17,000 per annum for a 5 - member board and \$22,780 for a 7 - member board. That is made up of, \$5,440pa for the Chairman and \$2,890pa for each Director

5. **Resolution and acceptance of Model Rule inclusions & amendments.**

The Board seeks approval for the amendment and inclusion into Emerald & District Co-op Model Rules in compliance with the Co-operatives National Law Act 2013.

Rule 27 (2) the notice may be given in accordance with section 254 of the Co-op National Law Act 2013. The board must give each member at least 14 days' notice of each general meeting either personally, post or through electronic means.

Rule 29(2) Subject to sub-rule 3, the quorum of the co-operative is nine (9) members entitled to vote at a co-operative meeting.

Rule 37(1) - There shall be a board of five (5) or (7) directors as approved by the Board

Rule 39(1b) Subsequent to the appointment of a five member board on the first annual general meeting following of the Co-operative, two (2) of the directors must retire at the next annual general meeting and three (3) of the directors must retire in the same pattern of rotation and continue in ensuing years

Rule 33(9): General meetings may be held at more than 1 place, provided that the technology used, enables each member present at any place the meeting is held are able to communicate clearly and simultaneously with every other such member and to cast a vote.

Section 48 : The quorum for a meeting of a seven member board is Four
The quorum for a meeting of a five member board is Three

Nominations are now called for a Seven person Board of Directors for a two-year period from members as advertised in accordance with the Co-operative Model Rules.

Nominations close 5pm on the 17th November 2023.

Two Directors retire by rotation, R.Holland & C.Weller;
Both are eligible and offering themselves for re-election,

6. To consider any general business, to be properly brought forward as noted in introduction above

Len O'Donnell
Secretary

CHAIRMAN REPORT

A tough year to say the least, we faced many challenges those being a very difficult trading environment coupled with huge increases in supplier costs due to the current global economic scene, tight retail spending and a real estate market experiencing multiple mortgage rate increases. We are pleased to report that with the strategies and processes adopted by management we were able report a positive EBITD position for the trading year.

This year has also seen further investment in the Trade department with new internal & external timber racking for better storage and flow through of vehicles. This has been a challenge over the past two years, given that Trade has grown 10% of the overall business, along with the amount of space we have are confined with. The Board have also agreed to further injection of capital within the Retail area of Mitre10 in this financial year of trade.

This year's trading EBITDA reflected a profit of \$19,881. Net Profit after depreciation and interest expenses recorded a loss \$68,012. The result also includes discounts to shareholders during the year of \$170,721 along with \$22,470 in community sponsorship grants.

This pleasing result was largely the result of careful cost control in a flat revenue environment. Total active members of the Co-operative are 2371.

Barry Plant Rentals business suffered this year with the loss rental properties through landlords selling due to the massive increases in property sales values or renovating to increase values. Hopefully, as the property market stabilizes investors will be encouraged back into the market soon. We would like to acknowledge Tony Martin as senior Property Manager for his ongoing commitment within these difficult times.

Once again, I would like to thank our dedicated and hardworking team for their tireless efforts and contributions throughout the year, making the Emerald Co-operative Society the success that it is, and in particular I would again like to thank Len O'Donnell for his leadership, tireless efforts and dedication to the Co-operative, also to Elliot Dawson and Morgan Summers in managing Mitre10 along with our amazing, hardworking and professional teams for their commitment and efforts. I would also like to thank my fellow board members for their diverse breadth and depth of knowledge, enthusiasm, and support and again to Peter Maloney and Christine Weller for their hard work on the ongoing development and roll out of the web site and to Ric Holland and Robert Herring for bringing their business prowess and extensive knowledge to the board, it is certainly valued and greatly appreciated. We have a broad depth of experience all striving to better our Co-Operative.

I thank you all for your support and patronage this year with challenging circumstances being the norm. Our business is focused on good service and competitive pricing. We encourage you to visit us soon and enjoy the constant changes we are making to improve your shopping experience. Further, please provide any valuable feedback and suggestions to further improve our offer, support and services to the community, whilst, rewarding the efforts of our hardworking team by continuing to support your Co-operative in the future.

Finally, we would like to thank our Co-operative members and the wider community for their ongoing support throughout these dynamic times. Keep an eye on the Co-operative website along with our Facebook and Instagram social media sites which enables us to better communicate with members and the community at large.

Again, on behalf of the board and shareholders, I would like to express our confidence in Len O'Donnell for his leadership of our fantastic, professional teams and thank them all profoundly for their unstinting loyalty and efforts through out what has been a challenging year in the retail and trade space.

Chairman
Ray Spencer

IMPORTANT NEWS

FUTURE CORRESPONDENCE

All correspondence will be sent electronically.

- If receiving a **text message**, please reply with your current email address
- If receiving an **email message**, please reply message with your mobile number
- Should you have **no means of electronically receiving communication**, please advise our office immediately on 5968- 4222 (press button 3).

CANCELLATION OF MEMBERSHIP

With compliance required from Consumer Affairs and under our existing Model Rules of Emerald & District Co-operative Society Ltd, we are required to continually update and keep current our Shareholders membership database;

- In accordance with our Model Rules of section 19 and within section 156 of the CNL Act, the board must declare the **membership of a member cancelled** if;
 - (a) The whereabouts of the member are not presently known to the co-operative and have not been known to the co-operative for a **period of two years** before that time; or
 - (b) The member is **not presently an active member** of the co-operative (transacting) and has not been an active member at any time during the **period of two years**

Whilst, our Model Rules actually declare that cancellation of membership in both (a) & (b) above is a 12 month period, our Board of Directors have agreed to some flexibility in extending the period of time to 2 years.

All your banking needs covered

Appointments available in Emerald

At Bendigo Bank, we like to keep things simple. We believe the more you bank with us, the more you deserve to be rewarded.

Deposit Investments, Investment loans, holiday, car and home loans, planning for retirement, superannuation – all your banking needs covered*.

With \$50K given to the Emerald Sporting Club for their new Club Rooms and \$250K committed to the Hills Hub project – we are supporting your community – come and support your bank. Emerald Agency offers all general banking facilities.

Every bank account opened at the Agency sees \$10 paid to the Emerald Co-Operative.

Call Branch Manager, Bruce McConnell on 5968 8831 for an appointment, convenient to you - at your home, business or Emerald agency.

 **Bendigo Bank**
Bigger than a bank.

Cockatoo/Gembrook Community Bank® and Emerald Agency

*Terms, conditions, fees, charges and lending criteria apply. Full details available from www.bendigobank.com.au. Bendigo and Adelaide Bank Limited ABN 11 088 048 178 AFSL/Australian Credit Licence 237878. 853787-02 (308157_v1) (13/10/2018)