

ELEVENTH

**ANNUAL
REPORT**

2022



**Queensland Lifestyle
Cooperative Limited**

QC 0318

Established 2011

REGISTERED OFFICE

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Queensland Lifestyle Cooperative Limited QC0318

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QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' REPORT

Your Directors submit their report together with the financial report of Queensland Lifestyle Cooperative Limited and the consolidated financial report of the consolidated entity, being the Cooperative and its controlled entities (QLCL Member Development Fund Pty Ltd which acts as trustee for the QLCL Member Development Fund but does not trade in its own right and therefore has no financial activity), for the year ended 30 June 2022 and the Audit Report thereon.

Directors

The names of the Directors holding office during or since the end of the year are:

David Michael Mitchell	Managing Director (Development)
Leonard Timothy O'Mara	Management Consultant
Marion Bayliss	Administration Manager

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

Attendance at Directors' Meetings

	<u>Eligible</u>	<u>Attended</u>
David Michael Mitchell	5	5
Leonard Timothy O'Mara	5	5
Marion Bayliss	5	5

Principal Activities

The Principal activity of the Cooperative during the year was the development of residential housing in Australia. There has been no significant change in the nature of this activity during the year.

Operating Results

The Cooperative's net profit for the financial year after provision for income tax was:

Year Ended	Year Ended
30 June 2022	30 June 2021
\$7,207.73	(\$3,048.47)

Dividends paid or recommended

No dividend was recommended by the Directors nor provided for as at 30 June 2022 (2021 – Nil).

Significant Changes in the State Of Affairs

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

After Balance Day Events

No matters or circumstances have arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Cooperative, the result of those operations and/or the state of affairs of the Cooperative in future financial years.

Future Developments

The Cooperative expects to maintain the present status and level of operations to source new development projects in line with the objectives of the Cooperative but wishes to highlight the proposed issue in 2022/23 of Co-operative Capital Units and the Cooperative providing loans to parties for land for subdivisional and/or housing developments potentially in a subordinated position will carry a variety of risks including, Loan Default, Investment Capital, Development and Economic, Political, Legal and Tax as detailed in the Co-operative Capital Units – Information Memorandum at <https://www.qldlifestyle.com.au/forms-and-legislative-requirements>.

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

Proceedings on Behalf of Company

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

Environmental Issues

The Cooperative operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

Share Options

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

Directors' Interests and Remuneration

No Director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the Cooperative with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements.

A resolution was approved at the 2012 AGM that "each Director could be allocated 100 fully paid shares in the Cooperative free of charge for each board meeting attended in the past or the future assignable at the discretion of the Director, such incentive to be increased by the Board to 200 shares per meeting any time after 12 months from the date of this Annual General Meeting for meetings after this period if the Board considers it financially responsible and also that the Annual Subscription fee of the Cooperative be waived for any Director acting when the fee is due in lieu of any payment for the director's services". Below is a comparison of the Director's to Member's shareholdings:

	30 June 2022	Member Numbers	30 June 2021	Member Numbers
Directors' Shares	2,545	3	2,245	3
Other Member's Shares	8,004	192	18,245	750

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Going Concern

The Directors are confident that the Co-operative can take actions to limit exposures from the potential issue of the Co-operative Capital Units together with the proposed associated loans to borrowers and will be able to continue to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider that it is appropriate to prepare the financial statements on the going concern basis, meaning that assets are expected to be realised at the values stated, and liabilities will be met as and when they fall due.

Signed at Brisbane, in accordance with a resolution of Directors on 4 October 2022.



DAVID MICHAEL MITCHELL
(Director)



LEONARD TIMOTHY O'MARA
(Director)



Audit Services

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

As auditor of Queensland Lifestyle Cooperative Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

C & N Audit Services

Robert Edwards

Director

Date: 5 October 2022

Queensland Lifestyle Cooperative Limited QC0318
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue		7,600.00	22,600.00
Gross profit		7,600.00	22,600.00
Other income		10,241.00	206.00
Administration expenses		(10,633.67)	(25,405.68)
Finance Costs			(448.79)
Profit before income tax		7,207.33	(3,048.47)
Income tax (credit) expense			
Profit for the year		7,207.33	(3,048.47)
 Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Total other comprehensive income for the year, net of tax		_____	_____
Total comprehensive income for the year		7,207.33	(3,048.47)

The accompanying notes form part of these financial statements.

Queensland Lifestyle Cooperative Limited QC0318
Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash assets		18,787.39	12,967.61
Receivables	2	11,500.00	15,000.00
Current tax assets		777.00	266.28
Other			4,740.17
Total Current Assets		31,064.39	32,974.06
Non-Current Assets			
Intangible assets		765.00	765.00
Total Non-Current Assets		765.00	765.00
Total Assets		31,829.39	33,739.06
Liabilities			
Current Liabilities			
Current tax liabilities		259.00	
Accrued expenses	3	6,285.00	5,720.00
Total Current Liabilities		6,544.00	5,720.00
Total Liabilities		6,544.00	5,720.00
Net Assets		25,285.39	28,019.06
Equity			
Issued capital	4	10,549.00	20,490.00
Retained profits		14,736.39	7,529.06
Total Equity		25,285.39	28,019.06

The accompanying notes form part of these financial statements.

Queensland Lifestyle Cooperative Limited QC0318
Statement of Changes in Equity for the year ended 30/06/2022

	Notes	Retained Earnings	Issued & Paid Up Capital	Total
Balance at 01/07/2020		10,577.53	20,296.00	30,873.53
Comprehensive income				
Shares issued during the year			194.00	194.00
Other comprehensive income for the year		(3,048.47)		(3,048.47)
Total comprehensive income for the year attributable to members of the entity		(3,048.47)	194.00	(2,854.47)
Balance at 30/06/2021		7,529.06	20,490.00	28,019.06
Comprehensive income				
Shares bought back during the year			(9,941.00)	(9,941.00)
Other comprehensive income for the year		7,207.33		7,207.23
Total comprehensive income for the year attributable to members of the entity		7,207.33	(9,941.00)	(2,733.77)
Balance at 30/06/2022		14,736.39	10,549.00	25,285.39

The accompanying notes form part of these financial statements.

Queensland Lifestyle Cooperative Limited QC0318
Notes to the Financial Statements
For the year ended 30 June 2022

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

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

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Loans and Receivables

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the company and are discounted to present values using the interest rate inherent in the loan.

(c) Going Concerns and Events Occurring After the Reporting Date

Due to the current situation in relation to Covid-19, the business and economic environment is uncertain, and as a result the Directors have carefully reviewed the basis of preparation of accounts regarding the going concern assumption.

The Directors are confident that the Co-operative can take actions to limit exposures, and continue to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider that it is appropriate to prepare the financial statements on the going concern basis, meaning that assets are expected to be realised at the values stated, and liabilities will be met as and when they fall due.

Queensland Lifestyle Cooperative Limited QC0318
Notes to the Financial Statements
For the year ended 30 June 2022

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(e) Cash and Cash Equivalents

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

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Queensland Lifestyle Cooperative Limited QC0318
Notes to the Financial Statements
For the year ended 30 June 2022

2022

2021

Note 2: Receivables

Current

Accounts Receivables - QLCL No.104		10,000.00
Accounts Receivables - QLCL No.110		5,000.00
Amounts receivable from:		
Loan - QLCL MDF #9 - Loganlea Rd	11,000.00	
Loan - QLCL MDF #106 Trust	500.00	
	11,500.00	15,000.00
	11,500.00	15,000.00

Note 3: Provisions

Current

Accrued expenses	6,285.00	5,720.00
	6,285.00	5,720.00
	6,285.00	5,720.00

Note 4: Contributed Capital

Ordinary shares at \$1.00 each fully paid	10,549.00	20,490.00
	10,549.00	20,490.00
	10,549.00	20,490.00

In accordance with Section 127 of the Co-operatives National Law (Queensland), the reduction in share capital was pursuant to the Rules of the Cooperative upon the forfeiture of shares on the cancellation of Members that were Inactive for 3 years or longer.

The accounting treatment for the reduction in capital was treated as other income to reflect the reduction in Equity.

QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Queensland Lifestyle Cooperative Limited

- (a) The financial statements and notes are in accordance with the Co-operatives National Law Act 2020, Co-operatives National Law (Queensland), Co-Operatives Act 1997 including:
- (i) giving a true and fair view of the financial position of the Cooperative as at 30 June 2022 and of their performance, for the year ended on that date, and
 - (ii) complying with Accounting Standards and the Cooperative's significant accounting policies
- (b) there are reasonable grounds to believe that the Cooperative will be able to pay its debts as when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

Signed at Brisbane, in accordance with a resolution of Directors on 4 October 2022.



DAVID MICHAEL MITCHELL
(Director)



LEONARD TIMOTHY O'MARA
(Director)



Audit Services

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF QUEENSLAND LIFESTYLE COOPERATIVE LIMITED

Opinion

I have audited the financial report of Queensland Lifestyle Cooperative Limited (the Company) which comprises the Statement of Financial Position as at 30 June 2022, the Detailed Profit and Loss Statement for the year then ended, Notes comprising a summary of significant accounting policies and other explanatory information and Directors' Declaration.

In my opinion:

The financial report of Queensland Lifestyle Cooperative Limited has been prepared in accordance with the Co-operatives National Law Act 2020, Co-operatives National Law (Queensland), Co-Operatives Act 1997 including:

1. Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
2. Complying with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Co-operatives National Law Act 2020, Co-operatives National Law (Queensland), Co-Operatives Act 1997 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia; and I have fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter Paragraphs

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the Co-operatives National Law Act 2020, Co-operatives National Law (Queensland), Co-Operatives Act 1997. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect to this matter.

Committee Members' Responsibilities

The Committee of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Co-operatives National Law Act 2020, Co-operatives National Law (Queensland), Co-Operatives Act 1997 and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee' use of the going concern basis of accounting in the preparation of the financial report. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

C & N Audit Services

A handwritten signature in black ink, appearing to read 'Robert Edwards', with a stylized, cursive script.

Robert Edwards

Director

Dated: 5 October 2022