24th Annual Report

The Independent Liquor Group
Distribution Co-operative Ltd

**Australia's Largest Liquor Co-operative,
proudly servicing the liquor industry since 1975.**

2024

Contents

Introduction

Our Mission

We are committed to ensure the success and longevity of independents in the liquor industry, empowering you with the strength and benefits of belonging to Australia's largest member owned liquor co-operative.

Our members are the key to our success!

Our Vision

Taking a leadership position
We challenge ourselves to be the best in everything we do from procurement, marketing, education, logistics, and business excellence

Member benefit
Constantly striving to provide benefits that include shareholding rewards, retail support, co-op structure, independence, Australian-owned and operated, flexibility, innovative technology, art studio, bi-annual conference

Mutually beneficial supplier partnerships
We are continually improving the quality and effectiveness of our partnerships with Suppliers to encourage increased support and investment with the ultimate goal to make our members' business more profitable. To investigate and identify service providers that could benefit from our extensive membership base.

Best practice logistics
To continue to be recognized as the Industry leader in logistics services by seeking to always achieve flexible solution-based outcomes

Industry experience
Democratically elected Board drawn from its shareholder members that leads the business and directs management to achieve strategic and commercial objectives. The business seeks to attract and retain the best available and experienced talent.

Co-operative Principles

1. Voluntary and open membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are organised in a democratic manner.

3. Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and independence

Co-operatives are autonomous, self help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of co-operation.

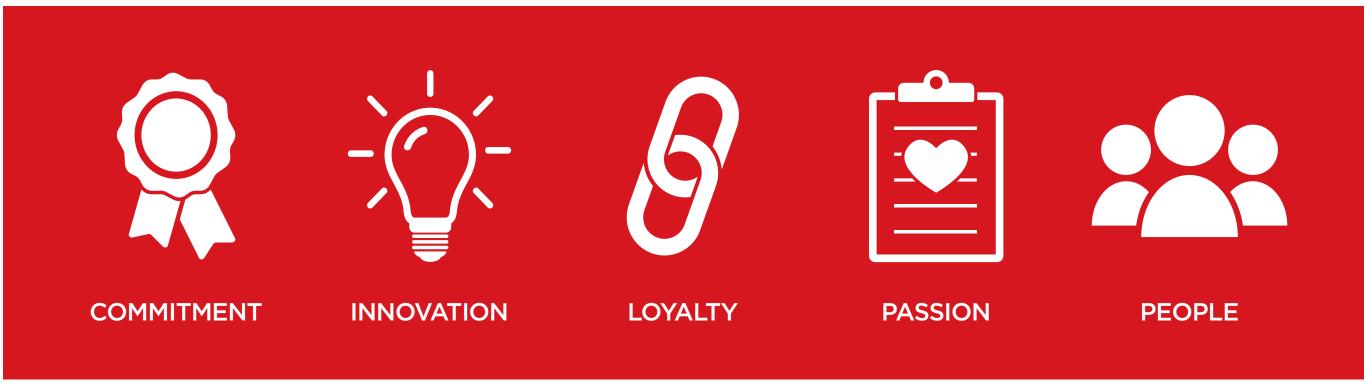
6. Co-operation among co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for the community

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

Our Values



Registered Trademarks

Other Brands

REGISTERED OFFICE
16 Tyrone Place, Erskine Park
NSW 2759

AUDITOR
Grant Thornton
Level 17, 383 Kent St
Sydney NSW 2000

BANKER
Commonwealth Bank
of Australia

ILGD MANAGEMENT

Paul Esposito
Chief Executive Officer

Karen Anderson
Chief Financial Officer

Patrick Kenny
NSW & VIC Sales Manager

Craig Stephenson
General Manager QLD

Chairman's Report

Dear Members,

The Year 2024 is a challenging but marvellous year for ILG and our members. Our results reflect the uncertain economy and the remarkable steps we have taken to invest in our future growth. We continue to maintain our commitment to serving the independence of the liquor industry and the needs of our members.

FINANCIALS

Our sales revenue for 2024 was over $520 million, marking a 6% increase from the previous year, setting another growth record for our Co-operative. Additionally, we paid out approximately $13.5 million in member rebates and $5.7 million in non-cash benefits.

This financial year, the Board and management anticipated a temporary loss. The loss position reflects the long-term strategy of the Board in funding ILG's growth out of working capital instead of incurring debts:

• In the last four years, ILG experienced tremendous growth based on its limited resources. In FY 2024, we brought on more team members in trading, supply chain, finance, eCommerce and marketing to address shortfalls in workforce and to facilitate future growth. – Our People are core to our success.

• We have invested heavily in e-commerce and digital wallet/marketing apps so that our members can enjoy the benefits of e-commerce and improve their revenue.

• With rapid membership growth in Victoria and Queensland, we have engaged a third-party logistics company to facilitate the deliveries in Victoria and also expanded our Richlands leased warehouse.

• The maximised membership rebate and non-cash benefit hurt our bottom-line, but they contribute to the sustainability of our members in this uncertain and difficult economy.

All of the above investments have laid a solid foundation for the future of ILG. This echoes the benefit of having a Board of all member-directors: We plan for long-term sustainability, rather than chasing short-term profit.

On behalf of the Board, I'd like to thank our CEO Paul Esposito and his leadership team for their loyalty and commitment in supporting and delivering the Board's long-term strategy successfully.

GOALS AND STRATEGIES

In May 2024, the Board approved the 2024-2026 Strategic Plan. This plan is designed to continue forging a comprehensive service package that keeps ILG competitive in the market, ensuring the success and endurance of independent players in the liquor industry.

The 2024 strategic target has been met with great success on expanding our retail membership base in Victoria and continuously growing our membership in NSW, ACT and QLD. We have also launched e-commerce and digital wallet mobile applications to our banner groups, which aims to increase foot traffic at members' physical and online stores.

Led by our director Sergio Colosimo, we identified and secured "built-for-lease" contract for our new QLD Distribution Centre. The construction is underway and due to completion in August 2025. My special thanks to Mr Colosimo and management team who are heavily involved in this project.

GOVERNANCE

The Board and Management team are committed to whole-of-organizational governance best practices. The focus in 2024 was on risk management and assurance of ILG operations. The Board approved the Internal Audit Charter with Company Secretary leading the three-year rolling Internal Audit and Assurance Plan.

The Assurance Plan aims to safeguard members' best interest and assist management in key risk and operational areas, such as cyber security, inventory management, contract negotiation and management, rebate programs, payroll and work health safety.

I extend my appreciation to our Company Secretary, Susie Zhong, and our dedicated directors for their diligence in driving these governance, risk management and assurance initiatives.

I'd like to acknowledge the invaluable collaboration and support of our CEO Paul Esposito, our CFO Karen Anderson and the executive team in these assurance programs. Together we drive excellence in organisational performance.

Special mention also goes to Mr. Doug Dalley, who has been appointed to the Audit and Risk Committee following his retirement as an ILG director in October 2022. Mr Dalley unfortunately due to work commitments retired from the Committee in August 2024. The Board is grateful for his input.

NAVIGATING THROUGH UNCERTAIN TIMES

To our valued supplier members, I extend my deepest gratitude for your contribution, especially as you continue navigating through the challenges of global supply chain disruptions, geopolitical tensions and the uncertain economy.

We are extremely grateful to our retail members, your loyalty to the Co-operative is essential for our success. Your understanding and resilience embody the spirit of independence in our industry.

On behalf of the Board, I'd like to express my gratitude to all our staff and their families for their steadfast support alongside the Co-operative. Our core values: **Commitment, Innovation, Loyalty, Passion, and People**, are the pillars upon which our Co-operative stands.

In closing, let us reaffirm our dedication to ensuring the success and longevity of independents in the liquor industry. Together, we empower each other with the strength and benefits of belonging to Australia's largest member-owned liquor Co-operative. Remember, our members are not just independent: we are a family.

Yours Faithfully,

Damien Bottero | Chairman of the Board

CEO's Report

Dear Members,

I would like to welcome you to this year's annual report. As we reflect on the past financial year, I am proud to report It has been another outstanding year for ILG. This year's results continue to highlight the success and momentum ILG has experienced over the years. These results are driven by passionate members and staff alike, with a want to build a stronger ILG.

FY24 continued to break records; highlighted by an uplift in sales revenue, record return to members and record membership. These results have been delivered on the back of a strong strategic plan to futureproof ILG.

FY24 HIGHLIGHTS

- Sales Revenue increased from $497M to a record high of $524M.
- ILG underlying EBIT reported was $11.6m before member benefits.
- Members benefits paid $13.466m
- Non-Cash Benefits to members $5.7m
- ILG welcomed 296 new members
- ILG increased sales revenue by 5.4%
- Supercellars increased sales revenue by 10%
- Bottler increased sales revenue by 6%%
- Fleet Street increased sales revenue by 17%
- NSW increased sales revenue by 1%
- QLD increased sales revenue by 10%
- Victoria increased sales revenue by 44%.
- Ecommerce sales revenue increased by 31%

ILG total liquor sales revenue increased by 5.4% for FY24 and 26% over the last three years. This was driven by improved sales in our non-bannered channel, growth in our retail banners and new members joining the Cooperative. The ILG wholesale network currently services 1,710 members/customers. Our tier 1 banners consist of 336 Supercellars stores, 387 Bottler stores, 34 Fleet Street stores and 505 Express tier 2 stores.

While we are proud of these achievements, it's important to address the decision made regarding our financial strategy. We opted not to refinance our debt, choosing instead to utilise cash flow to invest in our strategic plan for Victoria, expand our operations in Qld, and enhance our ecommerce and digital solutions. While these investments are vital for long-term growth, along with the current economic climate they have resulted in a profit loss position for F24. We believe that these strategic initiatives will better position ILG for future success.

Looking forward, even with the cost-of-living pressures, I expect momentum to continue, and we will welcome new members to ILG. Our initiatives remain clear: delivering sustainable growth while simplifying our business operations for our members.

Based on our strategic plan, our focus will be:

- Continue to grow our membership base.
- Grow revenue and volume.
- Deliver value for our members.
- Grow member benefits and provide better subsidies.
- Provide an e-commerce platform for our members free of charge.
- Expand into other markets.

I would like to thank my staff for their support, and for their commitment and contribution. I would like to also thank the ILG Board for their continued support and the assistance they provide in achieving our goals.

Most of all, I would like to thank the ILG members and supplier members for another record year and your unwavering support. Together, we will navigate the challenges ahead and we will emerge stronger and more unified.

I am looking forward to what will be another successful year for our Cooperative and thank you for being part of the journey.

Warm Regards,

Paul Esposito
Chief Executive Officer

2024 at a glance

$13.5M IN REBATES PAID TO ILG MEMBERS

REVENUE INCREASED
FROM $497M TO A RECORD HIGH OF **$524 MILLION**

ILG WELCOMED **296** **NEW MEMBERS**
WITH OVER 1900 ACCOUNTS

E-COMMERCE SALES REVENUE INCREASED BY **31%**

NON-CASH BENEFITS TO MEMBERS **$5,700,000**

EBIT
EARNINGS BEFORE INTEREST, TAXES & MEMBER BENEFITS
$11.6M

Member Benefits

Business Development Workshops

This year's workshops were a tremendous success, with an average of fifteen participants per session – the perfect size for fostering robust discussions while maintaining an intimate atmosphere. Facilitator Peter Hall ensured that everyone had the chance to voice their objectives and gain valuable insights.

We introduced an exciting update to the program this year with the addition of the ILG Digital Solutions, encouraging members to engage with their Business Development Executives (BDEs) to explore how digital tools can add value to their operations.

The retail courses covered all facets of liquor retailing, sparking fresh ideas between Peter and the participants. The hospitality courses focused on key areas such as stock control, margin boosting, expense management, and staff supervision.

These workshops attracted a diverse mix of new staff, who left feeling inspired by the insights, and current staff, who appreciated the valuable refreshers. Each session wrapped up with case studies, allowing participants to assess their own skills in real-world scenarios.

Attending these complimentary courses is not just a learning opportunity but a strategic advantage for your business. They equip your team with essential skills to improve operational efficiency, boost margins, and enhance customer service, all of which contribute directly to the bottom line. Plus, with the introduction of digital solutions, participants gain a competitive edge by staying ahead of industry trends.

These workshops are in high demand, so be sure to check upcoming dates and connect with your ILG BDE for more information. This is a member benefit and an opportunity not to be missed!

"Both my managers are still talking about the training course and the positive attributes that have come from them. I would personally recommend these training seminars to anyone."

- Peter Cox, Dorrigo Cellars

" We have used Peter Hall's Manager Mentoring program to improve the professionalism and management skills of one of our key managers. She has worked with Peter over 5 months and the results in her performance are clear to see. This has been brilliant for our business."

- Adam Williams, Heathcote Hotel

Retail Services Support

Our Retail Services Team continues to work diligently, helping more members enhance their store layouts and overall presence. We're excited by the strong response to this member benefit, which has proven to add significant value to your business.

A well-optimized store layout is more than just aesthetics; it plays a direct role in driving customer engagement, boosting sales, and ensuring a smooth shopping experience. By maximizing the flow, visibility, and appeal of your store, you're not only satisfying customers but also increasing their likelihood to return.

In today's highly competitive retail environment, having a distinctive store layout gives you a crucial edge. It reinforces your brand's uniqueness and helps capture more foot traffic. This free service is a valuable tool for strengthening your business – ensuring that you're set up for success.

Take advantage of this tailored support from our team to elevate your store's appeal and create a better shopping experience for your customers! Reach out to your BDE today!

Let's Get Together Events

ILG recognises the importance of member engagement being one of the most powerful tools for business growth. ILG's calendar of events offers you invaluable opportunities to build and strengthen those connections. Throughout the year, our events—ranging from conferences and trade expos to social gatherings like golf days and race days—provide a platform for members to exchange ideas, share insights, and foster meaningful partnerships.

By participating in these events, you'll have the chance to expand your professional network stay ahead of industry trends, collaborate, learn as well as strengthen relationships. Meeting like-minded fellow members, potential business partners, and suppliers can help your business thrive. It keeps you updated on the latest market developments, innovations, and opportunities that can benefit your business.

Our events are carefully crafted to create both formal and informal environments for learning, connecting, and having fun. Make sure you take full advantage of ILG's let's get togethers to help grow your network and, ultimately, your business.

Ownership & Security

We take delight in sharing the recent market valuations of the co-operative's distribution centres in NSW and QLD.

Built in 2007 for $18M, our Erskine Park depot in Sydney has appreciated to $45.7M.

Purchased in 2015 for $4.5M, our Townsville depot in Far North Queensland appreciated to $6.7M.

Our Board of Directors

The members voice, working closely together in the best interest of the membership

DAMIEN BOTTERO
Pittwater Cellars
Chairman of the Board

CHRIS GRIGORIOU
Fairfield West Cellars
Deputy Chairman

ROBERT MCGHEE
Tumut Star Hotel
Director

PETER COX
Dorrigo Cellars
Director

SERGIO COLOSIMO
Momento Hospitality
Director

RIPPLE PAREKH
Foodworks Lake Cargellico
Director

TRACY HATCH
Wellshot Hotel
Director

SHAUGHN MURPHY
Lucky Star Tavern
Director

The Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of The Independent Liquor Group Distribution Co-operative Ltd (referred to hereafter as the 'Co-operative' or 'Parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The following persons were Directors of The Independent Liquor Group Distribution Co-operative Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr D Bottero (Chairman)
Mr C Grigoriou (Deputy Chairman)
Mr P Cox
M S Colosimo
Mrs T Hatch
Mr R McGhee
Mr S Murphy
Mr R Parekh

Principal activities
The principal activity of the Group during the financial year was the acquisition of liquor and related products from its members for wholesale sale. No significant change in the nature of that activity occurred during the financial year.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Consolidated entity after providing for income tax amounted to $1,041,154 (30 June 2023: profit of $5,642).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Consolidated entity during the financial year.

Matters subsequent to the end of the financial year
For the June 2024 quarter, The Independent Liquor Group Distribution Co-operative Ltd and the Independent Liquor Group (Suppliers) Co-operative Ltd (on a combined basis), breached their bank covenant requirement under the Bank Facility Agreement. On 27 August 2024, the bank indicated to the entities that it had decided not to exercise its rights relating to the breach however, it reserved the right to exercise its rights relating to any breaches in the future. As a result, given the entity did not have a right to defer its bank loan repayment at year-end, the total borrowings balance of $30,000,000 has been classified as a current liability on the Statement of Financial Position.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated entity.

Environmental regulation
The Consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Meetings of Directors

Name	Member	Qualifications and experience	Number eligible to attend	Number attended
Mr D Bottero (Chairman)	Pittwater Cellars	Business owner	11	11
Mr C Grigoriou (Deputy Chairman)	Fairfield West Cellars	Business owner	11	11
Mr P Cox	Dorrigo Cellars	Business owner	11	10
M S Colosimo	Momento Hospitality	Business owner	11	11
Mrs T Hatch	Wellshot Hotel	Business owner	11	10
Mr R McGhee	Tumut Star Hotel	Business owner	11	10
Mr S Murphy	Lucky Star Tavern	Business owner	11	9
Mr R Parekh	Foodworks Lake Cargelligo	Business owner	11	11

Company Secretary
The Company Secretary of the Co-operative is Susie Zhong.

Directors' interest
Since the end of the previous financial year, no Director of the Co-operative has received or become entitled to receive a benefit, other than a benefit included in related party transaction note shown in the accounts or the salary of an employee of the Co-operative or of a related entity, by reason of a contract made by the Co-operative or a related entity with the Director or with a firm of which the director is a member or with an entity in which the director has a substantial financial interest.

Indemnity and insurance of officers
The Co-operative has indemnified the Directors and executives of the Co-operative for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Co-operative paid a premium in respect of a contract to insure the Directors and executives of the Co-operative against liabilities. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Co-operative has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Co-operative or any related entity against a liability incurred by the auditor.

During the financial year, the Co-operative has not paid a premium in respect of a contract to insure the auditor of the Co-operative or any related entity.

Proceedings on behalf of the Co-operative
No proceedings have been brought or intervened in on behalf of the Co-operative.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 278 of the Co-operatives (Adoption of National Law) Act 2012 has been received.

This directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 278 of the Co-operatives (Adoption of National Law) Act 2012.

On behalf of the Directors

Damien Bottero
Director

Christopher Grigoriou
Director

24 September 2024

Independent Auditor's Report

GrantThornton

Grant Thornton Audit Pty Ltd
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Sydney NSW 2000
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Independent Auditor's Report

To the Members of The Independent Liquor Group Distribution Co-operative Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of The Independent Liquor Group Distribution Co-operative Limited ("the Entity") and its subsidiary ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Co-operatives National Law (NSW)*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (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.

Independent Auditor's Report cont.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $1,041,154 during the year ended 30 June 2024, and as of that date, the Group's current liabilities exceeded current assets by $4,322,507. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Co-operatives National Law (NSW)*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

Independent Auditor's Report cont.

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner – Audit & Assurance

Sydney, 24 September 2024

Independence Declaration

GrantThornton

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Auditor's Independence Declaration

To the Directors of The Independent Liquor Group Distribution Co-operative Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of The Independent Liquor Group Distribution Co-operative Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner – Audit & Assurance

Sydney, 24 September 2024

Directors' Declaration

The Directors of The Independent Liquor Group Distribution Co-Operative Ltd (the Co-operative) declare that:

1. The financial statements of The Independent Liquor Group Distribution Co-Operative Ltd, comprising of the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Co-operatives National Law (NSW)* including:

(a) giving a true and fair view of the Co-operative's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
(b) complying with Australian Accounting Standards – Simplified Disclosure and the *Co-operatives National Law (NSW)*; and

2. There are reasonable grounds to believe that The Independent Liquor Group Distribution Co-Operative Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Damien Bottero
Director

Christopher Grigoriou
Director

24 September 2024

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Revenue			
Revenue	3	540,715,252	509,515,378
Less: Members rebates provided		(13,280,016)	(13,025,544)
		527,435,236	496,489,834
Cost of sales		(531,363,879)	(499,481,340)
Less: Supplier rebates		27,369,239	21,798,654
		(503,994,640)	(477,682,686)
Gross profit		23,440,596	18,807,148
Other income	4	1,442,931	5,126,521
Expenses			
Distribution expenses		(21,759,816)	(20,361,240)
Administration expenses		(2,584,918)	(2,206,081)
Finance costs	5	(1,490,664)	(675,305)
(Loss)/profit before income tax expense		(951,871)	691,043
Income tax expense	6	(89,283)	(685,401)
(Loss)/profit after income tax expense for the year attributable to the owners of The Independent Liquor Group Distribution Co-operative Ltd	18	(1,041,154)	5,642
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of The Independent Liquor Group Distribution Co-operative Ltd		(1,041,154)	5,642

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	7	5,109,150	266,668
Trade and other receivables	8	42,829,929	41,327,434
Inventories	9	1,255,053	1,697,588
Total current assets		49,194,132	43,291,690
Non-current assets			
Property, plant and equipment	11	5,179,304	4,914,984
Right-of-use assets	10	52,533	122,771
Intangibles	12	597,475	597,475
Deferred tax	6	167,900	163,581
Total non-current assets		5,997,212	5,798,811
Total assets		55,191,344	49,090,501
Liabilities			
Current liabilities			
Trade and other payables	13	21,519,508	24,918,655
Borrowings	14	30,000,000	11,598,292
Lease liabilities	15	734,153	803,855
Employee benefits	16	995,228	737,365
Share capital repayable on demand	17	267,750	258,000
Total current liabilities		53,516,639	38,316,167
Non-current liabilities			
Borrowings	14	-	8,000,000
Lease liabilities	15	794,217	847,066
Employee benefits	16	127,725	133,351
Total non-current liabilities		921,942	8,980,417
Total liabilities		54,438,581	47,296,584
Net assets		752,763	1,793,917
Funds			
Accumulated funds	18	752,763	1,793,917
Total funds		752,763	1,793,917

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2024

Consolidated	Accumulated funds $	Total funds $
Balance at 1 July 2022	1,788,275	1,788,275
Profit after income tax expense for the year	5,642	5,642
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	5,642	5,642
Balance at 30 June 2023	1,793,917	1,793,917

Consolidated	Accumulated funds $	Total funds $
Balance at 1 July 2023	1,793,917	1,793,917
Loss after income tax expense for the year	(1,041,154)	(1,041,154)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(1,041,154)	(1,041,154)
Balance at 30 June 2024	752,763	752,763

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

as at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		621,923,016	477,009,180
Payments to suppliers (inclusive of GST)		(624,144,253)	(479,017,444)
Interest received		160,007	64,412
Interest paid		(1,490,664)	(675,305)
		(3,551,894)	(2,619,157)
Income taxes paid		(93,602)	-
Net cash used in operating activities		(3,645,496)	(2,619,157)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(2,163,685)	(2,872,268)
Proceeds from sale of property, plant and equipment	11	362,756	102,781
Net cash used in investing activities		(1,800,929)	(2,769,487)
Cash flows from financing activities			
Proceeds from issue of shares		36,000	45,500
Payments for shares bought back		(26,250)	(25,250)
Proceeds from borrowings		10,401,708	5,396,812
Repayment of lease liability		(122,551)	(317,991)
Net cash from financing activities		10,288,907	5,099,071
Net increase/(decrease) in cash and cash equivalents		4,842,482	(289,573)
Cash and cash equivalents at the beginning of the financial year		266,668	556,241
Cash and cash equivalents at the end of the financial year	7	5,109,150	266,668

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Material accounting policy information

The Independent Liquor Group Distribution Co-operative Ltd (Distribution) is a Co-operative incorporated in Australia and is domiciled in Australia, ILG Retail Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. The consolidated financial report was authorised for issue in accordance with a resolution of the directors on 24 September 2024.

The accounting policies that are material to the Consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated entity.

Basis of preparation
The consolidated financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards - Simplified Disclosure as issued by the Australian Accounting Standards Board, other authoritative pronouncements of the Australian Accounting Standards Board and the Co-operatives National Law (NSW) and Regulations.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern
This entity and The Independent Liquor Group (Suppliers) Co-operative Limited (Suppliers) are jointly party to a Bank Facility Agreement. The facilities under this agreement are secured against the assets of this entity and the assets of The Independent Liquor Group (Suppliers) Co-operative Limited. For the June 2024 quarter, the two entities on a combined basis, breached their bank covenant requirement under the Bank Facility Agreement. On 27 August 2024, the bank indicated to the entities that it had decided not to exercise its rights relating to the breach however, it reserved the right to exercise its rights relating to any breaches in the future. As a result, given the entity did not have a right to defer its bank loan repayment at year-end, the balance of $30,000,000 has been classified as current liability on the Statement of Financial Position. Included in this balance is the market rate loan of $8,000,00 which is due to be repaid on 9 December 2024.

For the year ended 30 June 2024, ILGD and its subsidiary (the Group) had recorded a loss after tax for the year of $1,041,154 (2023: profit of $5,642) and at year end, was in a net asset position of $752,763. At year end this Group’s current liabilities exceeded its current assets by $4,322,507 and this Group’s current assets exceeded its current liabilities, by $25,677,493 excluding its current bank finance facility of $30,000,000.

This Group and The Independent Liquor Group (Suppliers) Co-operative Limited (“Suppliers”) are dependent upon each other to support their respective working capital positions. At year end for the two entities combined, current liabilities exceed their combined current assets by $5,595,398 and the combined current assets exceed the combined current liabilities by $29,843,974 excluding the bank finance facilities of $30,000,000 in Distribution, $5,439,372 in Suppliers and excluding all inter co-operative balances.

Both this entity and Suppliers have provided each other letters of financial support committing that they will each provide the other with the necessary financial support to enable the other entity to continue as a going concern and meets its debts and the debts of both combined entities as and when they fall due for a period not less than 12 months from the date of the signing of this financial report (which is dated the same day as Suppliers’ 2024 financial report).

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 1. Material accounting policy information (continued)

As disclosed in Note 24, the entity has a contingent liability as a result of a legal matter unrelated to trading activities. The Directors consider any potential exposure from the contingency can be managed within existing operating cash flows.

Since year end, for the period to 31 August 2024, the unaudited results indicate ILGD Group has recorded a loss of $297,048 and combined with Suppliers, as of 31 August 2024, the combined entities had an operating loss of $707,335.

The entity has reviewed the relevant conditions and events surrounding its ability to continue as a going concern. The Directors are expecting to achieve an operating surplus across the two co-operatives in FY25. At year-end, the combined bank loan and working capital limit available to this entity and The Independent Liquor Group (Suppliers) Co-operative Limited under Bank Facility Agreement was $38,939,000, of which $30,000,000 had been utilised by this entity and $5,439,000 had been utilised by The Independent Liquor Group (Suppliers) Co-operative Limited. If required, the Directors will curb discretionary spending to ensure the cash flow of the Co-operative is within its financing facility limits. For these reasons, the Directors consider that this entity will continue to operate as a going concern.

As noted above, the market rate loan of $8,000,000 is due to be repaid on 9 December 2024. The Directors will seek an extension to this loan. In addition, despite the expected surplus across the two co-operatives for FY25, the Directors, are still expecting to breach bank covenants at certain times during the 12 months from the date of the signing of this financial report. There is material uncertainty that the lender would provide an extension to the $8,000,000 loan and continue to reserve its rights relating to future covenant breaches. Therefore, this entity and Suppliers could be called upon by the lender to pay back all borrowings and that this entity and Suppliers would be required to obtain alternate finance to be able to continue as a going concern. There is material uncertainty that this entity and Suppliers could obtain such alternate finance. Even if the current lender continues to waive its rights in relation to any future breaches of covenants, in the event of continued losses, this entity and Suppliers may need additional borrowings to support working capital. There is additional material uncertainty around this entity and Distribution’s ability to obtain additional borrowings to support working capital and hence their ability to meet their respective debts as and when they fall due and continue as going concern. Hence, the entity’s cash and cash equivalents balance and financing requirements give rise to a material uncertainty that may cast significant doubt about the entity’s ability to continue as a going concern.

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities by the entity and the realisation of its assets and settlement of its liabilities in the ordinary course of business at the amounts stated in this financial report.

Should the entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying value amounts of the amounts of liabilities that might result should the entity be unable to continue as a going concern and meet its debts as and when they fall due.

Parent entity information

These financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Independent Liquor Group Distribution Co-operative Ltd ('Co-operative' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Independent Liquor Group Distribution Co-operative Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity'.

Subsidiaries are all those entities over which the Consolidated entity has control. The Consolidated entity controls an entity when the Consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 1. Material accounting policy information (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 1. Material accounting policy information (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Comparatives
Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current year.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition
For sale of goods, revenue is recognised when the goods are delivered as this is the point in time at which the group has transferred control of the assets to the customer, delivered its service and hence satisfied its performance obligations. The group needs to assess when it has transferred control of the assets to the customer. Where the transaction price is variable, the group estimates an amount of variable consideration using either the expected value or the most likely amount method to determine the amount of revenue to be recognised. The transaction price may be varied due to discounts offered to customers. The group may therefore have to use its judgement in determining and applying the variation in the transaction price. This may impact the revenue recognised by the group for sale of goods. For advertising income, the group recognises revenue based on the contracts with the suppliers. The group needs to assess the point at which it is entitled to the rebates and also determine the transaction price which is charged to the suppliers. This price is based on the respective supplier agreement.

Provision for impairment of receivables
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 2. Critical accounting judgements, estimates and assumptions (continued)

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The concentration of impairment is limited due to the customer base being large and unrelated. The impairment allowance for trade receivables was $572,255 at 30 June 2024 (2023: $525,365).

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Extension options
The Co-operative assesses at lease commencement whether it is reasonably certain to exercise extension options, and where it is reasonably certain, the extension period is included in the lease liability.

Note 3. Revenue

	Consolidated	
	2024	**2023**
	$	**$**
Revenue from the sale of goods	535,101,852	503,400,056
Finance fee	4,678,223	4,903,394
Advertising income	800,875	1,032,909
Rental income	134,302	179,019
	540,715,252	509,515,378

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	**2023**
	$	**$**
Timing of revenue recognition		
Goods transferred at a point in time	535,902,727	504,432,965

Accounting policy for revenue
The Consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 3. Revenue (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Note 4. Other income

	Consolidated	
	2024	**2023**
	$	**$**
Interest income	160,007	64,412
Management fee	431,163	4,683,583
Accounting fees collected	353,155	182,837
Other income	498,606	195,689
	1,442,931	5,126,521

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income is recognised when it is received or when the right to receive payment is established.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 5. Expenses

	Consolidated 2024 $	Consolidated 2023 $
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation expense		
Property plant and equipment	1,822,597	1,467,516
Right-of-use assets	70,238	341,969
Total depreciation	1,892,835	1,809,485
Finance costs		
Interest and finance charges paid/payable on borrowings	1,484,177	661,847
Interest and finance charges paid/payable on lease liabilities	6,487	13,458
Finance costs expensed	1,490,664	675,305
Superannuation expense		
Defined contribution superannuation expense	664,229	574,628
Rental expenses relating to short term and low value leases	453,938	562,311
Allowance for expected credit losses	73,993	663,330

Note 6. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Income tax expense		
Current tax	93,602	-
Deferred tax - origination and reversal of temporary differences	(4,319)	685,401
Aggregate income tax expense	89,283	685,401
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	88,709	637,118
Increase/(decrease) in deferred tax liabilities	(93,028)	48,283
Deferred tax - origination and reversal of temporary differences	(4,319)	685,401
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/profit before income tax expense	(951,871)	691,043
Tax at the statutory tax rate of 30%	(285,561)	207,313
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of permanent differences	9,688	6,286
Tax losses utilised that were not previously recognised	(101,462)	-
Unders and overs in respect (to current tax) of prior years	466,618	471,802
Income tax expense	89,283	685,401

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 6. Income tax (continued)

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	171,677	157,607
Employee benefits	334,604	259,393
General accruals	26,138	17,287
Tax losses	-	186,841
Deferred tax asset	532,419	621,128
Movements:		
Opening balance	621,128	1,258,246
Charged to profit or loss	(88,709)	(637,118)
Closing balance	532,419	621,128

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Income accrued but not yet invoiced	364,519	457,547
Deferred tax liability	364,519	457,547
Movements:		
Opening balance	457,547	409,264
Charged/(credited) to profit or loss	(93,028)	48,283
Closing balance	364,519	457,547

	Consolidated 2024 $	Consolidated 2023 $
Net deferred tax asset		
Deferred tax asset	532,419	621,128
Deferred tax liability	(364,519)	(457,547)
	167,900	163,581

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 6. Income tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 7. Cash and cash equivalents

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Cash on hand	9,600	9,580
Cash at bank	5,099,550	257,088
	5,109,150	266,668

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Trade receivables	35,025,103	36,826,311
Less: Allowance for expected credit losses	(572,255)	(525,365)
	34,452,848	36,300,946
Other receivables	1,944,465	2,459,955
Other receivables from related parties (note 23)	6,432,616	2,566,533
	42,829,929	41,327,434

Reconciliations

Reconciliations of the expected credit loss beginning, and end of the current financial year are set out below:

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 8. Trade and other receivables (continued)

	Consolidated 2024 $	Consolidated 2023 $
Opening Balance	(525,365)	(554,170)
Remeasurement of loss allowance	(60,000)	(168,000)
Allowance written back during the year	13,110	196,805
Closing balance	(572,255)	(525,365)

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Inventories

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Finished goods	1,255,053	1,697,588

Accounting policy for inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 10. Right-of-use assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings - right-of-use	394,447	394,447
Less: Accumulated depreciation	(341,914)	(271,676)
	52,533	122,771

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 10. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings $
Balance at 1 July 2023	122,771
Depreciation expense	(70,238)
Balance at 30 June 2024	52,533

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 11. Property, plant and equipment

	Consolidated	
	2024 $	2023 $
Non-current assets		
Leasehold improvements - at cost	314,186	292,333
Less: Accumulated depreciation	(176,799)	(161,108)
	137,387	131,225
Plant and equipment - at cost	13,911,494	12,163,881
Less: Accumulated depreciation	(9,785,032)	(8,375,780)
	4,126,462	3,788,101
Motor vehicles - at cost	1,222,582	1,254,069
Less: Accumulated depreciation	(489,325)	(422,620)
	733,257	831,449
Office equipment - at cost	608,721	545,771
Less: Accumulated depreciation	(426,523)	(381,562)
	182,198	164,209
	5,179,304	4,914,984

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 11. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Office equipment $	Total $
Balance at 1 July 2023	131,225	3,788,101	831,449	164,209	4,914,984
Additions	21,852	2,014,564	64,318	62,950	2,163,684
Disposals	-	(266,951)	(95,805)	-	(362,756)
Depreciation expense	(15,690)	(1,409,252)	(66,705)	(44,961)	(1,536,608)
Balance at 30 June 2024	137,387	4,126,462	733,257	182,198	5,179,304

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of asset	*Useful life*
Leasehold improvements	40 years
Plant and equipment	2.5 to 20 years
Motor vehicles	8 years
Office equipment	5 to 20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Intangibles

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Goodwill - at cost	597,475	597,475

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 13. Trade and other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade payables	972,781	668,648
Trade payables – other related parties (note 23)	11,189,873	13,792,716
Other payables – related parties (note 23)	967,789	1,839,273
Other payables	8,389,065	8,618,018
	21,519,508	24,918,655

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank finance facility	22,000,000	11,198,292
Bank loans	8,000,000	-
The Independent Liquor Group Suppliers Co-operative Ltd Loan	-	400,000
	30,000,000	11,598,292
Non-current liabilities		
Bank loans	-	8,000,000
	30,000,000	19,598,292

The bank finance facility and bank loan are secured by a guarantee unlimited as to the amount by the Co-operative, a first registered company charge by The Independent Liquor Group (Suppliers) Co-operative Limited over whole of its assets and undertakings including uncalled capital and a first registered mortgage by The Independent Liquor Group (Suppliers) Cooperative Limited over two properties, one located at 16-32 Tyrone Place, Erskine Park NSW 2759, and the other one located at 677-685 Ingham Road, Mount St John QLD 4818.

The bank finance facility limit at 30 June 2024 was $25m (30 June 2023: $15m). The bank finance facility incurs interest at an average bid rate plus 1.4% margin on each drawdown and has a 3 year term.

The bank loans incur incur interest at a variable market rate derived from 3 month BBSY which resets every 3 months and has a maturity date of 9 December 2024. The bank loans have a total limit of $8m at 30 June 2024 (30 June 2023: $8m).

For the June 2024 quarter, this entity and The Independent Liquor Group (Suppliers) Co-operative Limited on a combined basis, breached their bank covenant requirement under their Bank Facility Agreement with the bank. On 27 August 2024, the bank indicated to the entities that it had decided not to exercise its rights relating to the breach however, it reserved the right to exercise its rights relating to any breaches in the future. As a result, given the entity did not have a right to defer its bank loan repayment at year-end, the bank finance facility and bank loan, totalling $30,000,000 have been classified as current liability.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 15. Lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Lease liability	734,153	803,855
Non-current liabilities		
Lease liability	794,217	847,066
	1,528,370	1,650,921

	2024 $	2023 $
Future lease payments		
Future lease payments are due as follows:		
Within one year	754,155	744,869
One to five years	834,717	792,475
More than five years	-	-
	1,588,872	1,537,344

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 16. Employee benefits

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Annual leave	995,228	737,365
Non-current liabilities		
Long service leave	127,725	133,351
	1,122,953	870,716

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 16. Employee benefits (continued)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 17. Share capital repayable on demand

	Consolidated	
	2024 $	2023 $
Current liabilities		
Ordinary shares	267,750	258,000

Movements in ordinary shares

Details	Number of shares	Issue price	$
Balance on 1 July 2023	1,035		258,000
Shares issued less shares redeemed	39	$250.00	9,750
Balance on 30 June 2024	1,074		267,750

The Co-operative's share capital consists of the amount of shares issued to the members by the Co-operative. From time to time, existing members leave the Co-operative and new members join the Co-operative. Members who leave the Cooperative are entitled to have their share capital amounts repaid to them. New members have to buy shares in the Cooperative. The Co- operative's Rules (and the Co-operatives Act) requires that when a member is not presently an active member and has not been an active member at any time during the past three years, the Co-operative must declare the membership of the member cancelled and then has twelve months within which to repay to the former member the amount of the paid up value of the former member's shares. Due to the Co-operative's above obligations, the Co-operative's share capital meets the definition of financial liabilities as per AASB 9: Financial Instruments: and hence the issued paid up capital is classified as a financial liability.

Note 18. Accumulated funds

	Consolidated	
	2024 $	2023 $
Retained profits at the beginning of the financial year	1,793,917	1,788,275
(Loss)/profit after income tax expense for the year	(1,041,154)	5,642
Retained profits at the end of the financial year	752,763	1,793,917

Note 19. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Consolidated entity is set out below:

	Consolidated 2024 $	Consolidated 2023 $
Aggregate compensation	432,442	513,407

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Co-operative:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit of the financial statements	66,414	54,500
Other services - Grant Thornton Australia Limited		
Assistance in the compilation of financial statements	14,000	16,000
	80,414	70,500

Note 22. Commitments

The Co-operative had no commitments as at 30 June 2024 and 30 June 2023.

Note 23. Related party transactions

Parent entity
The Independent Liquor Group Distribution Co-operative Ltd is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with its subsidiary, ILG Retail Pty Limited:

	Consolidated 2024 $	Consolidated 2023 $
Sale of goods and services		
Sale of goods	7,480,265	7,818,810
Other income		
Management fee	111,055	216,739
Payment for goods and services		
Rebates paid	739,545	515,083

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 23. Related party transactions (continued)

	Consolidated 2024 $	Consolidated 2023 $
Other income		
Management fee	431,163	4,683,583
Payment for goods and services		
Purchase of goods	521,862,944	497,602,479
Payment for management fee	2,487,371	2,138,316
Payment for rental of motor vehicles, equipment and premises	66,012	66,012
	524,416,327	499,806,807

Receivable from and payable to its subsidiary, ILG Retail Pty Limited:

	Consolidated 2024 $	Consolidated 2023 $
Current receivables		
Trade receivables (note 8)	2,775,580	2,991,425
Other receivables (note 8)	19,482	25,574
	2,795,062	3,016,999
Current payables		
Other trade payables (note 13)	19,999	200,518

Receivable from and payable to its subsidiary, The Independent Liquor Group (Suppliers) Co-operative Limited:

	Consolidated 2024 $	Consolidated 2023 $
Current receivables		
Other receivables (note 8)	5,954,182	5,557,988
Current payables		
Other trade payables (note 13)	967,790	1,638,756
Trade payables (note 13)	11,189,873	13,807,105

The terms of the current receivables and current payables are consistent with those listed in note 8 and note 13 respectively.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Current receivables		
Loan to ILG Retail Pty Limited	1,342,471	942,471

Terms and conditions
Related party receivables are due for settlement within 14 days. Related party payables are due for settlement within 60 days. The loans earned interest of $111,022 (2023: $66,066) and are receivable on demand.

Note 24. Contingent liabilities

The entity's assets are provided as security for the guarantee from Commonwealth Bank of Australia. The balance guaranteed by Commonwealth Bank of Australia at year end was $6,050,000 (2023: $6,050,000).

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 24. Contingent liabilities (continued)

The securities above are by fixed and floating charge over all their assets and uncalled capital of the cooperative and a mortgage over its land and building.

As indicated in note 1 the entity and the Independent Liquor Group (Suppliers) Co-operative Ltd have provided each other letters of financial support indicating they will each provide the other with the necessary financial support to enable the other entity to continue as a going concern and meets its debts and the debts of both combined entities as and when they fall due for a period not less than 12 months from the date of the signing of this financial report (which is dated the same day as Distribution's annual financial report for the year ended 30 June 2024).

The Independent Liquor Group Distribution Co-operative Ltd ("Distribution") has a contingent liability as a result of a legal matter unrelated to trading activities. The extent of the contingency is uncertain and maybe material in addition to the amount provided in the financial statements. The contingent liability could potentially be off-set to a degree by a contingent asset, represented by a cross-claim against the other party. Given the commercial nature of the matter, further detail has not been disclosed. The Directors consider any potential exposure from the contingency can be managed within existing operating cash flows.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 **$**	**2023** **$**
(Loss)/profit after income tax	(747,902)	629,479
Total comprehensive income	(747,902)	629,479

Statement of financial position

	Parent	
	2024 **$**	**2023** **$**
Total current assets	50,965,820	43,861,984
Total assets	55,862,222	49,024,547
Total current liabilities	53,415,799	36,924,136
Total liabilities	53,884,144	46,298,567
Funds		
Retained profits	1,978,078	2,725,980
Total funds	1,978,078	2,725,980

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity, The Independent Liquor Group Distribution Co-operative Limited has provided a letter of support to its subsidiary, ILG Retail Pty Limited, indicating that it will provide the subsidiary with the necessary financial support to enable it to continue as a going concern and meets its debts as and when they fall due for a period not less than 12 months from the date of the signing of ILG Retail Pty Limited's financial report.

Contingent liabilities
Other than as disclosed in note 24, the parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2024.

Notes to the Financial Statements *(continued)*

for the year ended 30 June 2024

Note 25. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2024.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 26. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
ILG Retail Pty Ltd	Australia	100.00%	100.00%
ILG Foundation	Australia	100.00%	100.00%

ILG Retail Pty Ltd subsidiary is a small proprietary company under section 45A(2) of the Corporations Act 2001.

The ILG Foundation is a registered charity with the Australian Charities and Not-for-profits Commission. The Independent Liquor Group Distribution Co-Operative Ltd is the sole member of the ILG Foundation.

Note 27. Events after the reporting period

For the June 2024 quarter, The Independent Liquor Group Distribution Co-operative Ltd and the Independent Liquor Group (Suppliers) Co-operative Ltd (on a combined basis), breached their bank covenant requirement under the Bank Facility Agreement. On 27 August 2024, the bank indicated to the entities that it had decided not to exercise its rights relating to the breach however, it reserved the right to exercise its rights relating to any breaches in the future. As a result, given the entity did not have a right to defer its bank loan repayment at year-end, the total borrowings balance of $30,000,000 has been classified as a current liability on the Statement of Financial Position.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

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independent liquor group

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