

The Independent Liquor Group Distribution Co-operative Ltd

ABN 70 252 541 400

Financial Report - 30 June 2026

The Independent Liquor Group Distribution Co-operative Ltd

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30 June 2026

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General information

The financial statements cover The Independent Liquor Group Distribution Co-operative Ltd as a Consolidated entity consisting of The Independent Liquor Group Distribution Co-operative Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is The Independent Liquor Group Distribution Co-operative Ltd's functional and presentation currency.

The Independent Liquor Group Distribution Co-operative Ltd 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. Its principal and registered place of business is:

16 Tyrone Place,
ERSKINE PARK, NSW 2759.

A description of the nature of the Consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 22 September 2026. The Directors have the power to amend and reissue the financial statements.

The Independent Liquor Group Distribution Co-operative Ltd
Directors' report
30 June 2026

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 2026.

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)
M S Colosimo
Mrs T Hatch
Mr R McGhee
Mr S Murphy
Mr R Parekh
Mr Doug Dalley (appointed on 21 October 2025)

Company Secretary

The company secretary of the Co-operative is Susie Zhong. Susie Zhong holds Bachelor of Arts in English Language and Literature, Master of Accounting, Postgraduate Diploma in Financial Management, Postgraduate Diploma in Applied Corporate Governance and Risk Management. She is now studying in Juris Doctor Program at University of Technology Sydney. Ms Zhong is a Fellow member, a member of Private and Public, Listed (small), Associations and Not-for-profits Committee, and an appointed member of Disciplinary bodies of the Governance Institute of Australia. She is on audit and risk committees of various association and private tertiary education institutions. Ms Zhong has 15 years' experience in corporate governance, risk management, assurance and stakeholder engagement within the Associations and Co-operatives Sector

Principal activities

The principal activity of the Consolidated entity 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 \$1,186,848 (30 June 2025: \$413,033).

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

Subsequent to 30 June 2026, the Board received unsolicited interest from a potential purchaser regarding the acquisition of the Group's Bacchus Marsh bottle shop business as a going concern. Discussions are ongoing; however, no binding agreement had been entered into as at the date these financial statements were authorised for issue.

The Board will assess the proposal in the context of the Group's strategic objectives and the ongoing performance of the Bacchus Marsh operation. As negotiations remain incomplete and the outcome is uncertain, it is not currently possible to reliably estimate the financial impact of any potential transaction.

Additionally, the Group completed the renegotiation and extension of its banking facilities with Commonwealth Bank of Australia. On 27 July 2026, amended facility agreements were executed extending the maturity date of the Group's banking facilities to 1 December 2027. The amended arrangements continue to provide access to working capital and borrowing facilities to support the ongoing operations of the Group.

These matters are considered a non-adjusting event under AASB 110 Events after the Reporting Period as the circumstances giving rise to the potential transaction arose after the reporting date. Accordingly, no adjustment has been made to the carrying amounts of the assets and liabilities recognised in these financial statements.

No other matter or circumstance has arisen since 30 June 2026 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.

The Independent Liquor Group Distribution Co-operative Ltd
Directors' report
30 June 2026

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.

Shares under option

There were no unissued ordinary shares of The Independent Liquor Group Distribution Co-operative Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of The Independent Liquor Group Distribution Co-operative Ltd issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

Meetings of Directors

Name	Member	Qualifications and experience	Number eligible to attend	Number attended
Mr D Bottero (Chairman)	Pittwater Cellars	Business owner	7	7
Mr C Grigoriou (Deputy Chairman)	Fairfield West Cellars	Business owner	7	7
M S Colosimo	Bella Vista Hotel	Business owner	7	5
Mrs T Hatch	Wellshot Hotel	Business owner	7	7
Mr R McGhee	Hillside Hotel	Business owner	7	7
Mr S Murphy	Lucky Star Tavern	Business owner	7	7
Mr R Parekh	Foodworks Lake Cargelligo	Business owner	7	7
Mr D Dalley	Mackay Northern Beaches Bowls Club	General Manager	4	4

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.

The Independent Liquor Group Distribution Co-operative Ltd
Directors' report
30 June 2026

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

22 September 2026

The Independent Liquor Group Distribution Co-operative Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 \$	2025 \$
Revenue			
Revenue	3	563,629,609	528,185,753
Cost of sales	4	(542,023,304)	(508,413,742)
Gross profit		<u>21,606,305</u>	<u>19,772,011</u>
Other income	5	5,251,102	5,815,303
Expenses			
Distribution expenses		(23,211,444)	(20,767,583)
Administration expenses		(3,251,080)	(3,425,739)
Finance costs	6	(1,659,471)	(1,765,582)
Loss before income tax benefit/(expense)		(1,264,588)	(371,590)
Income tax benefit/(expense)	7	<u>77,740</u>	<u>(41,443)</u>
Loss after income tax benefit/(expense) for the year attributable to the owners of The Independent Liquor Group Distribution Co-operative Ltd		(1,186,848)	(413,033)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the year attributable to the owners of The Independent Liquor Group Distribution Co-operative Ltd		<u>(1,186,848)</u>	<u>(413,033)</u>

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

The Independent Liquor Group Distribution Co-operative Ltd
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	8	5,485,637	3,582,626
Trade and other receivables	9	47,186,118	46,796,637
Inventories	10	1,227,839	1,288,028
Income tax refund due	7	93,914	-
Total current assets		53,993,508	51,667,291
Non-current assets			
Property, plant and equipment	11	4,433,776	4,548,271
Right-of-use assets	12	353,311	217,805
Intangibles	13	597,475	597,475
Deferred tax	7	161,698	163,452
Other assets		5,495	4,995
Total non-current assets		5,551,755	5,531,998
Total assets		59,545,263	57,199,289
Liabilities			
Current liabilities			
Trade and other payables	14	29,036,442	22,942,461
Borrowings	15	29,000,000	-
Lease liabilities	16	499,433	1,011,438
Employee benefits	17	1,036,534	1,016,518
Share capital repayable on demand	18	279,250	266,500
Total current liabilities		59,851,659	25,236,917
Non-current liabilities			
Borrowings	15	-	31,000,000
Lease liabilities	16	433,410	502,072
Employee benefits	17	107,312	120,570
Total non-current liabilities		540,722	31,622,642
Total liabilities		60,392,381	56,859,559
Net assets/(liabilities)		(847,118)	339,730
Funds			
Accumulated funds		(847,118)	339,730
Total equity/(deficiency)		(847,118)	339,730

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

The Independent Liquor Group Distribution Co-operative Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	Accumulated funds \$	Total funds \$
Balance at 1 July 2024	752,763	752,763
Loss after income tax expense for the year	(413,033)	(413,033)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(413,033)	(413,033)
Balance at 30 June 2025	339,730	339,730

Consolidated	Accumulated funds \$	Total funds \$
Balance at 1 July 2025	339,730	339,730
Loss after income tax benefit for the year	(1,186,848)	(1,186,848)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(1,186,848)	(1,186,848)
Balance at 30 June 2026	(847,118)	(847,118)

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

The Independent Liquor Group Distribution Co-operative Ltd
Consolidated statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		685,964,885	633,003,292
Payments to suppliers (inclusive of GST)		(678,130,625)	(632,379,875)
		<u>7,834,260</u>	<u>623,417</u>
Interest received		224,024	246,742
Interest paid		(1,659,471)	(1,765,582)
Income taxes paid		(14,420)	(36,995)
		<u>6,384,393</u>	<u>(932,418)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(1,893,110)	(1,639,125)
Proceeds from sale of property, plant and equipment	11	239,102	305,452
		<u>(1,654,008)</u>	<u>(1,333,673)</u>
Cash flows from financing activities			
Proceeds from issue of shares		12,250	32,750
Payments for shares bought back		-	(34,000)
(Repayment) of/Proceeds from borrowings		(2,000,000)	1,000,000
Repayment of lease liabilities		(839,624)	(1,018,175)
Proceeds from lease liabilities		-	758,992
		<u>(2,827,374)</u>	<u>739,567</u>
Net cash from/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		1,903,011	(1,526,524)
Cash and cash equivalents at the beginning of the financial year		<u>3,582,626</u>	<u>5,109,150</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>5,485,637</u></u>	<u><u>3,582,626</u></u>

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

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 1. Material accounting policy information

The Independent Liquor Group Distribution Co-operative Ltd (ILGD) is a company 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 22 September 2026.

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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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

For the year ended 30 June 2026, ILGD and its subsidiary (the Group) had recorded a loss after tax for the year of \$1,186,848 and at year end, was in a net deficit position of \$847,118. At year end this Group's current liabilities exceeded its current assets by \$5,858,151.

The Independent Liquor Group Distribution Co-operative Ltd (ILGD Group) and The Independent Liquor Group (Suppliers) Co-operative Limited (ILGS) are operationally and financially interdependent and are jointly party to banking arrangements with Commonwealth Bank. At 30 June 2026, ILGD Group and ILGS had combined net current liabilities of \$12,588,887, primarily due to the classification of bank borrowings as current liabilities.

The entities were compliant with the tested banking covenants at 30 June 2026. Management obtained a Letter of Approval from Commonwealth Bank before year-end regarding the extension of the facilities, and the facilities were formally extended on 27 July 2026 to 1 December 2027. The extension provides evidence of ongoing lender support; however, continued compliance with banking covenants and access to the facilities remain important to the entities' ability to meet obligations as they fall due.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 1. Material accounting policy information (continued)

Management has prepared forecasts for at least 12 months from the date of authorisation of the financial report. The forecasts assume achievement of budgeted trading performance, close monitoring and improvements in working capital, continued lender support and ongoing access to the Working Capital Facility.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Co-operative's ability to continue as a going concern and, therefore, the Co-operative may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after considering the matters above, including continued lender support, the Directors consider that it is appropriate to prepare the financial report on a going concern basis. The financial report does not include adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary should the Co-operative be unable to continue as a going concern.

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 2026 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.

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.

Foreign currency translation

The financial statements are presented in Australian dollars (AUD), which is The Independent Liquor Group Distribution Co-operative Ltd's functional and presentation currency. The functional currency has been determined based on the primary economic environment in which the Group operates, including the currency in which revenue is generated, costs are incurred and financing activities are conducted. Unless otherwise stated, all amounts disclosed in the financial statements are presented in Australian dollars and have been rounded to the nearest dollar.

Current and non-current classification

Assets and liabilities are presented in the consolidated 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.

Note 1. Material accounting policy information (continued)

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.

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.

Note 1. Material accounting policy information (continued)

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.

Allowance for expected credit losses

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 Co-operative 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').

'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 \$118,706 at 30 June 2026 (2025: \$197,127).

Goodwill and other indefinite life intangible assets

The Consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

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

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 2026 \$	2025 \$
Revenue from the sale of goods	576,776,064	541,837,461
Advertising income	1,066,882	1,023,831
Less: Members rebates provided	(14,213,337)	(14,675,539)
	<u>563,629,609</u>	<u>528,185,753</u>

Disaggregation of revenue

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

	Consolidated 2026 \$	2025 \$
Timing of revenue recognition		
Goods transferred at a point in time	<u>577,842,946</u>	<u>542,861,292</u>

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.

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.

Advertising income

Advertising revenue is recognised when control of the promised advertising services is transferred to the customer.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 4. Cost of sales

	Consolidated	
	2026	2025
	\$	\$
Cost of sales	571,452,968	536,750,779
Less: Supplier rebates	(29,429,664)	(28,337,037)
	<u>542,023,304</u>	<u>508,413,742</u>

Note 5. Other income

	Consolidated	
	2026	2025
	\$	\$
Finance fee	4,214,169	4,390,174
Interest income	224,024	246,742
Management fee (note 23)	497,170	502,777
Accounting fees collected	180,778	358,114
Other income	134,961	317,496
	<u>5,251,102</u>	<u>5,815,303</u>

Finance fee

Finance fee income represents consideration charged to approved members who utilise deferred payment terms under the Group's Terms and Conditions of Trading. Finance fees are applied at approved rates to transactions conducted under deferred payment arrangements and are recognised as revenue when the underlying sale transaction occurs and the member obtains control of the goods. The finance fee forms part of the transaction consideration payable by the member under the deferred payment agreement.

Interest income

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.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
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Note 6. Expenses

	Consolidated	
	2026	2025
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation expense</i>		
Depreciation of property plant and equipment	1,768,503	1,893,410
Depreciation of right-of-use assets	123,450	79,050
Total depreciation	<u>1,891,953</u>	<u>1,972,460</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,633,881	1,746,687
Interest and finance charges paid/payable on lease liabilities	25,590	18,895
Finance costs expensed	<u>1,659,471</u>	<u>1,765,582</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>838,666</u>	<u>728,362</u>
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	<u>7,957,141</u>	<u>7,056,478</u>
Rental expenses relating to short term and low value leases	<u>420,570</u>	<u>423,822</u>

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 7. Income tax

	Consolidated	
	2026	2025
	\$	\$
<i>Income tax (benefit)/expense</i>		
Current tax	-	36,995
Deferred tax - origination and reversal of temporary differences	1,754	4,448
Adjustment recognised for prior periods	(79,494)	-
	<u>(77,740)</u>	<u>41,443</u>
Aggregate income tax (benefit)/expense		
Deferred tax included in income tax (benefit)/expense comprises:		
Decrease/(increase) in deferred tax assets	4,463	(135,464)
Increase/(decrease) in deferred tax liabilities	(2,709)	139,912
	<u>1,754</u>	<u>4,448</u>
Deferred tax - origination and reversal of temporary differences		
	<u>1,754</u>	<u>4,448</u>
<i>Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate</i>		
Loss before income tax benefit/(expense)	(1,264,588)	(371,590)
Tax at the statutory tax rate of 30%	(379,376)	(111,477)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of permanent differences	34,816	-
Non deductible expenses/assessable income	91,163	152,920
Tax losses not brought to account	255,151	-
	<u>1,754</u>	<u>41,443</u>
Adjustment recognised for prior periods	(79,494)	-
Income tax (benefit)/expense	<u>(77,740)</u>	<u>41,443</u>

	Consolidated	
	2026	2025
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	35,612	59,138
Employee benefits	255,151	333,092
General accruals	343,154	24,946
Tax losses	29,503	250,707
	<u>663,420</u>	<u>667,883</u>
Deferred tax asset		
	<u>663,420</u>	<u>667,883</u>
Movements:		
Opening balance	667,883	532,419
Credited/(charged) to profit or loss	(4,463)	135,464
	<u>663,420</u>	<u>667,883</u>
Closing balance		
	<u>663,420</u>	<u>667,883</u>

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 7. Income tax (continued)

	Consolidated	
	2026	2025
	\$	\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Income accrued but not yet invoiced	501,722	504,431
Deferred tax liability	<u>501,722</u>	<u>504,431</u>
Movements:		
Opening balance	504,431	364,519
Charged/(credited) to profit or loss	<u>(2,709)</u>	<u>139,912</u>
Closing balance	<u>501,722</u>	<u>504,431</u>
	Consolidated	
	2026	2025
	\$	\$
<i>Net deferred tax asset</i>		
Deferred tax asset	663,420	667,883
Deferred tax liability	<u>(501,722)</u>	<u>(504,431)</u>
	<u>161,698</u>	<u>163,452</u>
	Consolidated	
	2026	2025
	\$	\$
<i>Income tax refund due</i>		
Income tax refund due	<u>93,914</u>	<u>-</u>

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.

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.

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Note 7. Income tax (continued)

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 8. Cash and cash equivalents

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Cash on hand	9,600	9,600
Cash at bank	5,476,037	3,573,026
	<u>5,485,637</u>	<u>3,582,626</u>

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 9. Trade and other receivables

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Trade receivables	39,351,461	37,838,747
Less: Allowance for expected credit losses	(118,706)	(197,127)
	<u>39,232,755</u>	<u>37,641,620</u>
Other receivables	2,447,658	2,698,837
Other receivables from related parties (note 23)	5,505,705	6,456,180
	<u>47,186,118</u>	<u>46,796,637</u>

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.

Refer to note 2 for accounting policy on allowance for expected credit losses.

Other receivables are recognised at amortised cost.

Note 10. Inventories

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Finished goods	1,227,839	1,288,028

The Independent Liquor Group Distribution Co-operative Ltd
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Note 10. Inventories (continued)

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 11. Property, plant and equipment

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	314,185	314,185
Less: Accumulated depreciation	(201,528)	(189,163)
	<u>112,657</u>	<u>125,022</u>
 Plant and equipment - at cost	 16,146,357	 15,065,175
Less: Accumulated depreciation	(12,261,140)	(11,213,338)
	<u>3,885,217</u>	<u>3,851,837</u>
 Motor vehicles - at cost	 489,925	 679,355
Less: Accumulated depreciation	(321,016)	(340,982)
	<u>168,909</u>	<u>338,373</u>
 Office equipment - at cost	 808,594	 709,243
Less: Accumulated depreciation	(541,601)	(476,204)
	<u>266,993</u>	<u>233,039</u>
	<u><u>4,433,776</u></u>	<u><u>4,548,271</u></u>

Reconciliations

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

	Leasehold	Plant and	Motor	Office	
	improvements	equipment	vehicles	equipment	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2025	125,022	3,851,837	338,373	233,039	4,548,271
Additions	-	1,789,510	-	103,600	1,893,110
Disposals	-	(129,290)	(109,812)	-	(239,102)
Depreciation expense	(12,365)	(1,626,840)	(59,652)	(69,646)	(1,768,503)
	<u>112,657</u>	<u>3,885,217</u>	<u>168,909</u>	<u>266,993</u>	<u>4,433,776</u>

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.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 11. Property, plant and equipment (continued)

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:

<i>Class of asset</i>	<i>Expected useful life</i>
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. Right-of-use assets

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	503,278	244,321
Less: Accumulated depreciation	(149,967)	(26,516)
	<u>353,311</u>	<u>217,805</u>

The Consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Consolidated entity also leases plant and equipment under agreements of between 1 to 5 years.

The Consolidated entity leases office equipment under agreements of less than 5 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

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 2025	217,805
Additions	258,956
Depreciation expense	<u>(123,450)</u>
Balance at 30 June 2026	<u><u>353,311</u></u>

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.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 12. Right-of-use assets (continued)

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 13. Intangibles

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
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.

Note 14. Trade and other payables

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	4,101,896	2,327,699
Trade payables – related parties (note 23)	15,059,140	9,814,981
Other payables – related parties (note 23)	617,769	1,174,766
Other payables	9,257,637	9,625,015
	29,036,442	22,942,461

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.

Related party payables are due for settlement within 60 days.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
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Note 15. Borrowings

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Bank finance facility	21,000,000	-
Bank loans	8,000,000	-
	<u>29,000,000</u>	<u>-</u>
<i>Non-current liabilities</i>		
Bank finance facility	-	23,000,000
Bank loans	-	8,000,000
	<u>-</u>	<u>31,000,000</u>
	<u>29,000,000</u>	<u>31,000,000</u>

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 (note 24) 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 2026 was \$25M (30 June 2025: \$25M). The bank finance facility incurs interest at an average bid rate plus 1.4% margin on each drawdown and has a 3 year term. On 27 July 2026 obtained subsequent extension of banking facilities to 1 December 2027.

The bank loans incur interest at a variable market rate derived from 3 month BBSY which resets every 3 months and had a maturity date of 1 December 2027. The bank loans have a total limit of \$8M at 30 June 2026 (30 June 2025: \$8M).

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2026	2025
	\$	\$
Total facilities		
Bank finance facility	25,000,000	25,000,000
Bank loans	8,000,000	8,000,000
	<u>33,000,000</u>	<u>33,000,000</u>
Used at the reporting date		
Bank finance facility	21,000,000	23,000,000
Bank loans	8,000,000	8,000,000
	<u>29,000,000</u>	<u>31,000,000</u>
Unused at the reporting date		
Bank finance facility	4,000,000	2,000,000
Bank loans	-	-
	<u>4,000,000</u>	<u>2,000,000</u>

The Independent Liquor Group Distribution Co-operative Ltd
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Note 15. Borrowings (continued)

Loan covenants

The Group's financing arrangements contain financial covenants requiring the maintenance of minimum debt service cover ratios, current ratios and minimum liquidity levels. During the financial year ended 30 June 2026, the Group was required to maintain a Debt Service Cover Ratio of at least 1.30 times, a Current Ratio of at least 1.25 times, and minimum aggregate cash and cash equivalents of AUD \$1.75 million. Management monitored compliance with these covenants throughout the year and confirmed that the Group remained in compliance with all covenant requirements during the reporting period and as at 30 June 2026.

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.

Note 16. Lease liabilities

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Lease liability	499,433	1,011,438
<i>Non-current liabilities</i>		
Lease liability	433,410	502,072
	<u>932,843</u>	<u>1,513,510</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	510,871	1,020,358
One to five years	447,113	508,354
	<u>957,984</u>	<u>1,528,712</u>

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.

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Note 17. Employee benefits

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,036,534	1,016,518
<i>Non-current liabilities</i>		
Long service leave	107,312	120,570
	<u>1,143,846</u>	<u>1,137,088</u>

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.

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 18. Share capital repayable on demand

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Ordinary shares	279,250	266,500
<i>Movements in ordinary shares</i>		
Details	Number of	Issue price
	shares	\$
Balance on 1 July 2025	266,500	266,500
Shares issued less shares redeemed	12,750	\$1.00 12,750
Balance on 30 June 2026	<u>279,250</u>	<u>279,250</u>

The Independent Liquor Group Distribution Co-operative Ltd
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Note 18. Share capital repayable on demand (continued)

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. Members who leave the Co-operative are entitled to have their share capital repaid to them, and new members are required to buy shares in the Co-operative.

The Co-operative's Rules require that where a member is not presently an active member, and has not been an active member at any time during the past 12 months, the Board must cancel that member's membership and has 12 months within which to repay the former member the paid-up value of their shares.

Under the Co-operative's Rules, if the Co-operative were wound up, any surplus remaining after the satisfaction of all debts, liabilities and the refund of paid-up share amounts would be distributed among members in proportion to the business each conducted with the Co-operative over the preceding two years, rather than in proportion to shares held. Because of this, together with the Co-operative's obligation to repay share capital to departing members, the share capital does not meet the definition of equity under AASB 132: Financial Instruments – Presentation, and is instead classified as a financial liability.

Note 19. Dividends

Dividends

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

Franking credits

	Consolidated	
	2026	2025
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	330,467	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

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	
	2026	2025
	\$	\$
Aggregate compensation	744,124	717,816

The Independent Liquor Group Distribution Co-operative Ltd
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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	
	2026	2025
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	74,760	67,700
<i>Other services - Grant Thornton Australia Limited</i>		
Assistance in the compilation of financial statements	15,435	14,700
	<u>90,195</u>	<u>82,400</u>

Note 22. Commitments

The Co-operative had no commitments as at 30 June 2026 and 30 June 2025.

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 Independent Liquor Group (Suppliers) Co-operative Limited

	Consolidated	
	2026	2025
	\$	\$
<i>Other income</i>		
Management fee (note 5)	497,170	502,777
<i>Payment for goods and services</i>		
Purchase of goods	543,136,416	527,729,710
Payment for management fee	3,118,116	3,339,574
Payment for rental of motor vehicles, equipment and premises	66,012	66,012
	<u>546,320,544</u>	<u>531,135,296</u>

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

	Consolidated	
	2026	2025
	\$	\$
<i>Current receivables</i>		
Other receivables (note 9)	5,505,705	6,456,180
<i>Current payables</i>		
Other trade payables (note 14)	617,769	1,174,766
Trade payables (note 14)	15,059,140	9,814,981

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
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Note 23. Related party transactions (continued)

Nature of relationship

The Independent Liquor Group Distribution Co-operative Ltd and The Independent Liquor Group (Suppliers) Co-operative Ltd are related parties through common control and governance arrangements. The entities work together in delivering procurement, warehousing, distribution, financing and member support services to Independent Liquor Group members.

Terms and conditions

Amounts receivable from and payable to related entities are unsecured and non-interest bearing. Related party receivables are due for settlement within 14 days. Related party payables are due for settlement within 60 days.

Note 24. Contingent liabilities

The Co-operative assets are secured against the \$29,000,000 (2025: \$31,000,000) Bank Finance Facility of this Co-operative and \$4,939,372 (2025: \$4,939,372) Bank Loan of The Independent Liquor Group (Suppliers) Co-operative Limited.

The Consolidated 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 \$2,956,139(2025: \$4,169,918).

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 2026).

Note 25. Parent entity information

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

Consolidated statement of profit or loss and other comprehensive income

	Parent	
	2026	2025
	\$	\$
Loss after income tax	(1,168,884)	(395,872)
Total comprehensive loss	(1,168,884)	(395,872)

Consolidated statement of financial position

	Parent	
	2026	2025
	\$	\$
Total current assets	53,800,223	52,713,039
Total assets	58,323,547	57,085,765
Total current liabilities	57,378,914	23,973,200
Total liabilities	57,910,227	55,503,561
Funds		
Retained profits	413,320	1,582,204
Total funds	413,320	1,582,204

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 25. Parent entity information (continued)

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 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The Parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

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	
		2026 %	2025 %
ILG Retail Pty Ltd	Australia	100%	100%
ILG Foundation	Australia	100%	100%

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

Subsequent to 30 June 2026, the Board received unsolicited interest from a potential purchaser regarding the acquisition of the Group's Bacchus Marsh bottle shop business as a going concern. Discussions are ongoing; however, no binding agreement had been entered into as at the date these financial statements were authorised for issue.

The Board will assess the proposal in the context of the Group's strategic objectives and the ongoing performance of the Bacchus Marsh operation. As negotiations remain incomplete and the outcome is uncertain, it is not currently possible to reliably estimate the financial impact of any potential transaction.

Additionally, the Group completed the renegotiation and extension of its banking facilities with Commonwealth Bank of Australia. On 27 July 2026, amended facility agreements were executed extending the maturity date of the Group's banking facilities to 1 December 2027. The amended arrangements continue to provide access to working capital and borrowing facilities to support the ongoing operations of the Group.

These matters are considered a non-adjusting event under AASB 110 Events after the Reporting Period as the circumstances giving rise to the potential transaction arose after the reporting date. Accordingly, no adjustment has been made to the carrying amounts of the assets and liabilities recognised in these financial statements.

The Independent Liquor Group Distribution Co-operative Ltd
Notes to the consolidated financial statements
30 June 2026

Note 27. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 2026 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.

The Independent Liquor Group Distribution Co-operative Ltd
Directors' declaration
30 June 2026

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 2026 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

22 September 2026

Grant Thornton Audit Pty Ltd
Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230
T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of The Independent Liquor Group Distribution Co-Operative Ltd

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 Ltd for the year ended 30 June 2026, 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



M Aziz
Partner – Audit & Assurance

Sydney, 22 September 2026

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Independent Auditor's Report

To the Members of The Independent Liquor Group Distribution Co-Operative Ltd

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 subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2026, 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 2026 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* and *Co-operatives National Law (NSW)*.

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 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$1,186,848 during the year ended 30 June 2026, and as of that date, the Group's total liabilities exceeded its total assets by \$847,118 and the Group's current liabilities exceeded its current assets by \$5,858,151. 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 2026 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 Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *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)*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf. This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M Aziz
Partner – Audit & Assurance

Sydney, 22 September 2026

Grant Thornton Audit Pty Ltd