



21st May 2024
CCW Annual General Meeting

Ordinary Business

- Welcome
- Apologies
- Notice of Meeting
 - Taken as read
- Minutes of the General Meeting held 16th May 2023
 - Copy available at reception area of CCW Office for inspection
 - Move the Minutes of the AGM adopted by the Board of Directors, be taken as read
- Chairman's Review
 - Taken as read

Financial Report

CCW CO-OPERATIVE LIMITED
AND CONTROLLED ENTITY
ABN 52 715 276 984

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2023

	Note	CONSOLIDATED GROUP		PARENT ENTITY	
		2023	2022	2023	2022
		\$	\$	\$	\$
Revenue - Sale of Grapes & Wine	2	42,302,983	70,110,044	42,302,983	70,110,044
Revenue - Other	2	177,641	270,394	177,641	270,394
Grape payments	3	(39,520,709)	(64,408,251)	(39,520,709)	(64,408,251)
Cost of wine sales	3	(1,259,000)	(3,220,086)	(1,259,000)	(3,220,086)
Employee benefits expense		(706,437)	(750,591)	(706,437)	(750,591)
Depreciation expense	3	(24,689)	(29,731)	(24,689)	(29,731)
Finance costs	3	(35,495)	(18,320)	(35,495)	(18,320)
Write down of bulk wine inventory		(406,802)	(1,521,401)	(406,802)	(1,521,401)
Other expenses		<u>(653,309)</u>	<u>(478,568)</u>	<u>(653,309)</u>	<u>(484,275)</u>
Loss before income tax		<u>(125,817)</u>	<u>(46,510)</u>	<u>(125,817)</u>	<u>(52,217)</u>
Income tax benefit	4	<u>11,508</u>	<u>8,959</u>	<u>11,508</u>	<u>8,959</u>
Loss for the year		<u>(114,309)</u>	<u>(37,551)</u>	<u>(114,309)</u>	<u>(43,258)</u>
Total comprehensive loss for the year		<u><u>(114,309)</u></u>	<u><u>(37,551)</u></u>	<u><u>(114,309)</u></u>	<u><u>(43,258)</u></u>
Loss attributable to members of the Co-operative		<u><u>(114,309)</u></u>	<u><u>(37,551)</u></u>	<u><u>(114,309)</u></u>	<u><u>(43,258)</u></u>
Total comprehensive loss attributable to members of the Co-operative		<u><u>(114,309)</u></u>	<u><u>(37,551)</u></u>	<u><u>(114,309)</u></u>	<u><u>(43,258)</u></u>

Financial Report

CCW CO-OPERATIVE LIMITED
AND CONTROLLED ENTITY
ABN 52 715 276 984

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	CONSOLIDATED GROUP		PARENT ENTITY	
		2023	2022	2023	2022
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	5	300	300	300	300
Trade and other receivables	6	318,158	748,692	318,158	748,692
Inventories	7	2,538,574	2,429,563	2,538,574	2,429,563
Current tax asset	12	6,259	14,147	6,259	14,147
TOTAL CURRENT ASSETS		2,863,291	3,192,702	2,863,291	3,192,702
NON CURRENT ASSETS					
Investments accounted for using the equity method	8	-	-	-	-
Financial assets	9	54,052	54,052	54,052	54,052
Plant and equipment	11	436,985	458,720	436,985	458,720
Deferred tax assets	12	43,240	41,582	43,240	41,582
TOTAL NON CURRENT ASSETS		534,277	554,354	534,277	554,354
TOTAL ASSETS		3,397,568	3,747,056	3,397,568	3,747,056
CURRENT LIABILITIES					
Trade and other payables	13	117,180	154,192	117,180	154,192
Current tax liability	12	-	-	-	-
Provisions	14	110,307	83,255	110,307	83,255
Borrowings	15	673,864	909,004	673,864	909,004
TOTAL CURRENT LIABILITIES		901,351	1,146,451	901,351	1,146,451
NON CURRENT LIABILITIES					
Trade and other payables	13	385,809	357,558	385,809	357,558
Deferred tax liability	12	2,635	3,499	2,635	3,499
Provisions	14	11,341	28,807	11,341	28,807
TOTAL NON CURRENT LIABILITIES		399,785	389,864	399,785	389,864
TOTAL LIABILITIES		1,301,136	1,536,315	1,301,136	1,536,315
NET ASSETS		2,096,432	2,210,741	2,096,432	2,210,741
EQUITY					
Accumulated profits		2,096,432	2,210,741	2,096,432	2,210,741
TOTAL EQUITY		2,096,432	2,210,741	2,096,432	2,210,741

Financial Report

- Total Sales \$42.3M
- Grape Payments \$39.5M
- Write down of bulk Inventory \$406,802
- Total comprehensive income Loss \$114,309

Ordinary Business

➤ Election of Directors

In accordance with Rule 39, Brenton Fenwick and Andrew Kassebaum retire.

Brenton Fenwick does not seek re-election and Andrew Kassebaum resigned December 2023

The following members have been nominated in accordance with the rules, and therefore a ballot will be necessary.

Jim Caddy, Matthew Chapple, Ian Macfarlane and Jason Perrin.

Information on each of the Nominees has been circulated to all shareholders.

Ordinary Business

➤ Remuneration of Directors

- 2022 AGM Motion (standing) - Directors Remuneration has been capped at the present level for as long as CCW Members are subjected to Levies in excess of \$5 (Five dollars) per tonne for Administrative costs.

General managers presentation

General Manager: Peter Szabo

Other Business

- A member has proposed a new rule to read as follows: **“The co-operative can only enter into a business venture to be financed by a levy raised from co-operative members’ funds if approved by ordinary resolution of a general meeting”**
- Board understands the intent of this proposal – to ensure the members have transparency and the right to approve any decision to enter into another business venture of the scale and impact of the Direct Wine Business
- Board is concerned that the current drafting would adversely impact the day-to-day operations of CCW Co-op as the term ‘business ventures’ can be read widely to include a range of ordinary business decisions
- Consideration is being given to modifying the proposal to give effect to the intent of the resolution without unduly fettering the Board’s powers.

Other Business – Questions for AGM

- Can we have a more detailed P&L. The expense category is very broad.
 - The P&L is in a format required by Australian Accounting Standards and as required by auditors.

Other Business – Questions for AGM

➤ What is included in Admin costs?

- Admin costs include, but not limited to, items such as insurances, bank charges, all general office expenses like postage and printing, cleaning, legal and consulting fees, council rates, electricity, IT expenses etc.

Other Business – Questions for AGM

- How much was spent on consulting fees in the last year?
 - For the 2023 financial year Consulting costs were \$45,047 and made up of –
 - Wine Network Consulting for IE submission and 24 grape pricing strategy
 - Brian Walsh – V23 IE determination
 - M Voigt – assistance with governance/finance matters
 - Strategy Road – Strategic Plan revision
 - A Clark – Interim Managing Director

Other Business – Questions for AGM

- Exactly how much was A Clark cost us to date with the “interim” General Manager and the work on the PSA and Director fees.
 - Independent Director fees are \$25,000 pa + superannuation
 - Interim Managing Director consulting fees have been from December 2023 to April 2024 \$69,845

Other Business – Questions for AGM

- How much has the PSA meetings cost us?
 - Attendance by Board directors attract a \$400 fee for additional meeting attendances plus reasonable reimbursement for travel costs.
 - Stephen Strachan invoice received \$17,250 being half cost for facilitation of meetings.
 - An invoice has not been received from Jason Duldig (Made Law) to date.

Other Business – Questions for AGM

➤ Who attended? (PSA Meetings)

- Generally, attendance has been by P Hill, A Brock, D Cotsaris, A Clark, P Szabo.
- A Kassebaum attended in the capacity of Chairman until resignation.
- A Clark attended in the capacity as Interim Managing Director in the absence of CEO.
- Stephen Strachan as facilitator appointed pursuant to the Deed of Settlement.
- Jason Duldig of Made Law as legal counsel for CCW.

Other Business – Questions for AGM

➤ How Many Meetings? (PSA Meetings)

- 11

➤ Travel? (PSA Meetings)

- Reasonable travel cost have been reimbursed

Other Business – Questions for AGM

➤ What does VITI Admin costs cover?

- Viti Admin costs include costs associated with the provision of viticulturalist services to members. Costs include salary and oncosts of qualified Viticulturalist, provision of vehicle, telephone, insurances. Other costs such as soil testing for members vineyards are also included.

Other Business – Questions for AGM

➤ What Plant and equipment is there?

- 3 x vehicles for staff members, IT equipment, CCW Office building.

Other Business – Questions for AGM

➤ How much was spent on viti consulting for outside help

- \$10,241 for 2023 financial year.
- Viti consulting/assistance is provided on an ad-hoc basis and utilised particularly when there is a high disease year such as vintage 23.

Other Business – Questions for AGM

- How much has outside legal advice cost?
 - \$189,131 for 2023 financial year. This amount was a result of Accolade Wines disputing the IE determination.
- Why wasn't Jason Approached to do the whole PSA negotiations.
 - Jason was brought in as soon as the Deed of Settlement was signed and CCW agreed to undertake an “in good faith” facilitated negotiation review of the PSA.

Other Business – Questions for AGM

- Does the CCW Board have an official code of conduct. If not why not and can it be made available to all CCW members.
- The CCW Board have a Charter which includes a section addressing Code of Conduct and the expectations regarding the requirement of high standards of corporate and individual behaviour etc.
- Additionally, the Co-operatives National Law (SA) Act 2013 at Division 4 details Duties and Liabilities of Directors, Officers and Employees of a Co-operative which includes care and diligence, good faith and best interests of Co-op, improper use of position, improper use of information etc.

Other Business – Questions for AGM

- Does CCW have a code of conduct pertaining to all CCW members, if so, can it be made available to all.
- I am not aware of a code of conduct pertaining to CCW Members.
- The Rules allow for expulsion of members upon a charge of misconduct etc.

Special Business, Chaired: Aden Brock

- Ordinary resolution- Removal from the office of director
 - In accordance with Rule 27(4) of the Co-operative, a member has given notice of intention to propose the following ordinary resolution.

“The Board resolves to put to a growers vote under section 44 of our CCW rules, and section 180 of the Co-operatives National Laws (SA) Act of 2013, the removal of Mr Peter Hill from the Board of Directors”

Special Business,

- Special Resolution- Proposed new Supplier agreement between CCW and Accolade Wines.
 - Shareholders have been provided with details of the Special Resolutions in accordance with Rule36(1)(a) of the Rules of the cooperative and Sections 239(1)(a) and 240(1) *of the Co-operatives National Laws (SA) Act of 2013*

Special Business,

➤ Special Resolution- Proposed new Supplier agreement between CCW and Accolade Wines.

It is resolved that-

1. The Board of CCW be empowered and authorised to negotiate and execute a full-form New Supply Agreement with Accolade Wines, the terms and conditions will include:
 - I. Terms and conditions consistent with the Key Terms Sheet; and
 - II. Such other terms customarily found in a grape supply agreement including, without limitation, terms governing termination, disputes, grape harvest and delivery, and pricing adjustments.
2. The Board of CCW be empowered and authorised to undertake all related matters on behalf of CCW which the Board deems necessary or desirable to give effect to resolution (1).
3. Each director of CCW be severally authorised to do any act, matter or thing and to execute and deliver any document necessary in connection with the proceeding resolutions.

Wrap up

➤ Questions – GM/Chair

➤ Thank you - Chair



THANK YOU