



# ANNUAL REPORT 2018

Blue Mountains Food Co-op Ltd.

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ABN 44 541 435 003

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## CHAIR'S REPORT Georgia Page

The Chair submits this report for the October 25, 2018 Annual General Meeting of the Blue Mountains Food Cooperative Ltd. The Directors also submit the Treasurer's Financial Report and the Auditor's Report for the financial year ended June 30, 2018.

Many thanks to the members who join us this evening for our AGM – the directors that make up our board seek to represent our members to the best of our ability and having you here to share your opinions and ideas is invaluable to us, and to the strength of our cooperative.

Our last members meeting was the 2017 AGM in November and I will look back over the full year in this review.

### FINANCE

Our Balance Sheet is healthy and our financial reserves are strong. The Treasurers Report will cover our financial activity in detail.

### THE BOARD

The board has enjoyed another productive and collaborative year. Our Directors bring a broad range of professional experience and perspectives to their roles and the board and manager continue to enjoy a strong working relationship.

Will Maclean is stepping down from the board after serving 8 years as a director. Will has been an excellent person to have at the table for the many discussions, decisions and deliberations that have gone on in his time on the board and his contributions have been thoughtful, reasonable and fair. I would like to thank Will personally for his support and collaboration, and on behalf of our membership for his time, energy and passion for the Co-op.

At our 2017 AGM, the board commented that we were trialling a new model of meeting, alternating our monthly meetings between business meetings (standard board/decision making meetings) and strategic planning meetings. While it created the time and space for in depth discussion, it was decided that we needed to address the business needs of the Co-op on a monthly basis and have instead determined to allocate 30 mins of each board meeting to strategic discussion.

As always, our goal is to identify how the board can best serve the Co-op's needs and to meet this to the best of our ability.

### Board Attendance of Meetings

The Directors of the Co-op and the meetings they attended for the 2017/2018 financial year were as follows:

Director	Position	Start of Term	Meetings Held	Meetings Attended
Gillam, Helen	Director/ Treasurer	Elected 15/10/17	11	7
Byron, Sonya	Employee Director	Elected 25/2/2016	11	7
Maclean, William Bruce	Director	Elected 26/11/13	11	9
Dubrow, Chris	Director	Elected 15/10/2016	11	8
Wilson, Narelle	Director	Elected 21/10/17	11	11
Hall, Rachel	Director	Elected 21/10/17	11	11
Page, Georgia Lord	Chair/ Director	Elected 25/11/14	11	10

## OUR PROGRESS

As always, my deepest thanks go to all Co-op staff for yet another huge and productive year – our Co-op is strong and our membership numbers are stable, and this is due in no small part to our committed and wonderful staff.

Growth this year has been significant, due in no small part to the success of the new Little Big Shop; we are currently trialing a new roster designed to alleviate stress for staff and pressures in the main shop; and we are currently preparing to run customer service training for staff.

A recent motion by the board has prompted much discussion among Co-op members. The board has expressed its willingness to consider selling meat through the Co-op, pending the results of further research into what we would be able to offer members and how we might go about selling it. The board has received a significant amount of communication from members regarding this issue, both supporting and condemning the possibility, and two members joined the September board meeting to present a petition about the issue. The board is very grateful to all members who have taken the time to express their concerns or support and will only decide on this issue with member input. Whether this is through a postal vote or member meeting is yet to be determined but members can be assured that they will have the opportunity to contribute to the decision.

A common question from members is about whether the Co-op is moving premises. We would like to see the Co-op move to a bigger location, and are doing what we can to find a suitable location however at this stage, we are yet to find a suitable option. We will continue to look and, in the meantime, will do our best to keep coming up with lateral ways to keep mitigating the limitations of the current shop.

This is my 10<sup>th</sup> **AGM and as always, it's wonderful to take the time to reflect on another year of Co-op** goings on. We are a healthy local business that supports local growers and producers and provides members and customers with a genuine alternative to shopping with the big food corporations. We have fantastic staff, loyal members, our local produce section **is abundant and every day we throw open our doors to provide good food that doesn't cost the earth!**

Many thanks,

Georgia Page



## TREASURER'S REPORT Helen Gillam

Thank you to all who have contributed to another successful financial year at the Co-op.

I present the treasurer's report on the financial accounts for the year ended 30th June 2018. The earnings of the Co-Op for the year were very robust. Revenue for the year was \$4.2 million, up almost 10% on the previous year. Expenses rose by a lesser percentage (6.5%) and therein lies the reason for the large jump in net earnings. We would not expect this same result in the coming year as outgoings are now rising in line with revenues. However, it is a positive to have added this amount to the Co-Op's **retained earnings**.

At year end we had \$874k in cash and term deposits and \$135k in inventory.

The Co-op remains in a sound financial position as you can see from the Balance Sheet. We hope to continue to grow our cash reserves and to eventually find those larger premises that would suit our operations more adequately. In summary, it has been another good year for the Co-op and is the result of the dedicated team made up of the staff, management and volunteers.

I commend the Accounts to the meeting.

Helen Gillam

Treasurer



## MANAGER'S REPORT Halin Nieuwenhuysse

It's hard to believe another year has passed already and we are once again reflecting on the year just past and what might be in store for the next year.

The 2017/18 year has been a stand out year in terms of growth. Overall our sales have increased on the previous year by 10%. When we delved a little deeper to find out what was going on, we realised that the sales in the main shop rose by a healthy 6% but the remaining 4% increase was generated by the Big Little Shop. Moving the Little Shop to the Bigger Little Shop last Easter has proved to be a resounding success with sales increasing in the Little Shop by 57% on the previous year.

The slower pace of the Big Little Shop has provided a great opportunity to attract newcomers and explain a little more about the Co-op and how it works than we are able to do in the hustle and bustle of the main shop. People are enjoying the larger space, more relaxed pace, wonderful smells that envelope you as you walk in the door not to mention the array of wonderful stock on offer, much of which is locally made. Together our two shops in the lane way seem to demonstrate the idea that often the sum can be greater than the parts.

The ABC's War on Waste series has continued to provide motivation for people to become more conscious about how they consume and what they discard. Items like the 500 keep cups, 850 wax wraps and 2250 shopping bags and baskets we sold last year have reduced the single use plastic use of their owners significantly. To give an example, let's say a person buys 3 take away coffees a week or 150 per year. Even if they break or lose their keep cup after 3 years, they've already saved 450 coffee cups from going to land fill. Multiply that figure by the 500 and that's 22500 coffee cups that didn't end up in land fill as a result of the 500 keep cups purchased.

Another heartening and exciting increase in sales we've seen this year is in seed sales, 3500 packets compared with 2500 the previous year. With fruit and veg sales now 30% of our turnover, it is becoming challenging for us to manage the increasing demand in our current location. So it's great to see that people are taking some of their food supply into their own hands by getting down and dirty and growing their own. We hope to help to inspire many more gardeners in the near future to do the same with our involvement in the 2019 Blue Mountains Edible Garden Trail.

Our new Marketing and Community Education Manager, Jacqueline Forster, who joined the team in May this year, has eagerly jumped on board with this.



One of the challenges for any business is hiring and training new staff. This year we've been lucky to have some of our old staff come back. Eloise and Elmira both started at the Co-op as after school workers (or schoolies as we fondly call them) many years ago and have returned as relief workers. Nic has also returned to brave the mountain weather after a 5 year break living in the Sunshine Coast. We've also welcomed two new schoolies this year, Akira and Japhy, and another relief worker Maddison. We sadly farewelled Prue Adams this year, our previous Marketing and Community Education Manager, who was responsible, amongst many other things, for setting up the Nourishing Families project at the Hub in North Katoomba.

Behind the scenes there has been a lot of activity reorganising all of the storage areas in the shop and also reworking our roster. At the beginning of the year a number of vacant shifts were filled by casual staff becoming permanent part time. And, as the result of a staff working group that formed earlier in the year, we are now trialling another version of the roster that includes more out of hours filling shifts, more hours for dedicated fruit and vegetable coordination, a store person to handle deliveries, an assistant manager and some extra cover for our Big Little Shop co-ordinator to get ordering paperwork done outside of time on the shop floor. We're hoping that all these changes will mean that the shop is well stocked and staff on the floor will have more time to serve and help out customers without having to juggle all of the deliveries and filling at the same time.

There are a lot of people involved in keeping the good shop Co-op afloat and on course. We have around 200 volunteers who regularly help out in the shop, 30 paid staff, 7 directors and a host of others that support the Co-op to run smoothly; from delivery drivers to IT support, our auditors to our cleaners. We continue to give thanks for all the hard work, passion, good humour and commitment of everyone who helps to keep the Co-op wheels turning.

And of course many thanks to you our 2600 dear members without which there would be no Co-op. May we all continue to share our commitment to good food, the community and the planet and continue to inspire each other to make informed choices about what we eat and how we live.



## DONATIONS REPORT **Lesley Sammon**

\$3034.27 (10% of the net surplus declared for financial year 2017) was allocated at the 2017 AGM for community donations to be distributed in 2018. This entire donations budget was distributed within the community in the form of cash and Co-op vouchers.

In the first half of 2018 most donations were made as Gift Vouchers to for buying goods in the Food Coop.

In May 2018, the Coop Board decided that donations would in future be allocated on a financial year basis (rather than calendar year) for accounting and auditing purposes.

In June 2018, the then unallocated donations budget for the 2017-2018 financial year was given as cash donations to The Blue Mountains Refugee Support Group and Katoomba North Public School.

This past year, donations have gone to:

Katoomba North Public School  
Lawson Public School – Breakfast program  
Katoomba Public School  
Katoomba Neighbourhood Centre - Community Lunches Community Thrive - Blue Mountains Family Support Service – Emergency Relief  
Blue Mountains Refugee Support – food for refugee families  
Aboriginal Culture & Resource Centre – family support programs.  
Blackheath Out of School Hours Care (BOOSH)  
Katoomba Out of School Hours Care (KOOSH)  
Katoomba Community Gardens – community events and seeds for planting  
Blue Mountains Food Rescue – Affordable meals and emergency relief  
Friends of the Earth  
Wentworth Falls Public School  
Blue Mountains Radio  
Blue Mountains Junior Roller Derby League – Fundraiser  
Blue Mountains Refugee Support Group

Donations Box

On the counter in the Coop is a Donations box. Coop shoppers donate cash for various causes on a 3-4 monthly rotation.

In 2018 the box has been used to collect donations for:

Close the Gap Campaign – for Indigenous Health  
Indonesian Earthquake Relief

**Blue Mountains Family Support Service's Christmas appeal.**



# 2018 Financial Audit Report

**BLUE MOUNTAINS FOOD  
CO-OPERATIVE LIMITED ABN  
44 541 435 003**

Financial Statements  
For the year ended 30 June 2018

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Detailed Profit and Loss Statement

# BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003

## Directors' Report

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Your directors present this report on the company for the financial year ended 30 June 2018.

### Directors

The names of the directors in office at any time during or since the end of the year are:

Georgia Page - Chairperson  
William MacLean - Secretary  
Sonya Servine - Staff representative  
Helen Gillam - Treasurer  
Chris Dubrow  
Rachel Hall (appointed 21st October 2017)  
Narelle Wilson (appointed 21st October 2017)

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

### Operating Result

The profit of the company for the financial year after providing for donations amounted to:

Year ended	Year ended
30 June 2018	30 June 2017
\$	\$
125,391.03	30,342.70

### Principal Activities

The principal activities of the company during the course of the year were operation of food co-operative.

No significant change in the nature of these activities occurred during the year.

### Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

### After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

### Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Directors' Report**

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### **Environmental Issues**

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

### **Directors Benefits**

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

### **Indemnifying Officer or Auditor**

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

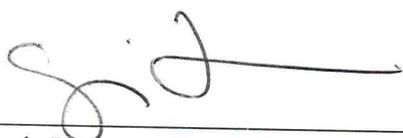
### **Proceedings on Behalf of Company**

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

### **Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

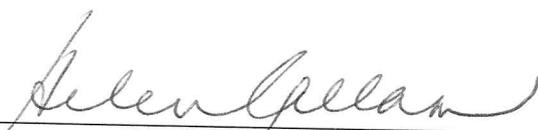
Signed in accordance with a resolution of the Board of Directors:



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Georgia Page

Director



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William MacLean

Director

Helen Gillam  
Treasurer

Dated:

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The accompanying notes form part of these financial statements.

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Auditor's Independence Declaration**

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**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

William Tomiczek FIPA  
Registered Company Auditor 1425  
66 Emu Plains Rd Mt Riverview 2774



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20/07/2018

Mt Riverview

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2018**

	Note	2018 \$	2017 \$
Revenue	2	4,291,840.86	3,884,985.64
Other revenue	2	(319,003.87)	(295,312.28)
Cost of sales		(2,837,392.18)	(2,598,236.33)
<b>Gross profit</b>		<b>1,135,444.81</b>	<b>991,437.03</b>
Other income	2	14,331.15	4,433.29
Marketing		(518.20)	(719.46)
Selling expenses		-	(3,095.45)
Administration expenses		(1,023,866.73)	(961,712.71)
<b>Profit before income tax</b>		<b>125,391.03</b>	<b>30,342.70</b>
Income tax (credit) expense		-	-
<b>Profit for the year</b>		<b>125,391.03</b>	<b>30,342.70</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
<b>Total other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>125,391.03</b>	<b>30,342.70</b>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Statement of Financial Position as at 30 June 2018**

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	3	874,085.84	708,221.73
Receivables	4	3,257.18	2,537.53
Inventories	5	135,149.48	146,982.05
Other financial assets		1,000.00	1,000.00
Other		5,707.79	8,225.85
<b>Total Current Assets</b>		<b>1,019,200.29</b>	<b>866,967.16</b>
<b>Non-Current Assets</b>			
Receivables	4	28,380.00	28,380.00
Property, plant and equipment	6	94,622.49	98,100.87
<b>Total Non-Current Assets</b>		<b>123,002.49</b>	<b>126,480.87</b>
<b>Total Assets</b>		<b>1,142,202.78</b>	<b>993,448.03</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	48,419.90	57,432.21
Current tax liabilities		25,738.52	21,227.67
Provisions	8	68,737.63	43,136.18
Other	9	44,140.77	40,070.75
<b>Total Current Liabilities</b>		<b>187,036.82</b>	<b>161,866.81</b>
<b>Non-Current Liabilities</b>			
Provisions	8	27,572.06	31,170.06
<b>Total Non-Current Liabilities</b>		<b>27,572.06</b>	<b>31,170.06</b>
<b>Total Liabilities</b>		<b>214,608.88</b>	<b>193,036.87</b>
<b>Net Assets</b>		<b>927,593.90</b>	<b>800,411.16</b>

The accompanying notes form part of these financial statements.

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Statement of Financial Position as at 30 June 2018**

	Note	2018 \$	2017 \$
<b>Equity</b>			
Retained profits		386,975.10	261,584.07
Other		540,618.80	538,827.09
<b>Total Equity</b>		<b>927,593.90</b>	<b>800,411.16</b>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Statement of Cash Flows****For the year ended 30 June 2018**

	2018 \$	2017 \$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	3,986,679.96	3,585,099.87
Payments to Suppliers and employees	(3,831,145.42)	(3,533,864.81)
Interest received	10,329.57	9,824.48
Net cash provided by (used in) operating activities (note 2)	<u>165,864.11</u>	<u>61,059.54</u>
Net increase (decrease) in cash held	165,864.11	61,059.54
Cash at the beginning of the year	<u>708,221.73</u>	<u>647,162.19</u>
Cash at the end of the year (note 1)	<u><u>874,085.84</u></u>	<u><u>708,221.73</u></u>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Statement of Cash Flows**  
**For the year ended 30 June 2018**

	2018	2017
<b>Note 1. Reconciliation Of Cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Sydney Credit Union	398,652.67	272,659.31
Sydney Credit Union Term Deposit	127,081.59	124,714.77
Maleny Term Deposits	147,794.63	114,589.33
Bendigo Bank Term Deposit	196,825.98	193,576.39
Paypal	1,016.13	-
Cash on hand	2,714.84	2,681.93
	874,085.84	708,221.73

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit**

Operating profit (loss) after tax	125,391.03	30,342.70
Depreciation	8,641.38	10,945.92
Increase/(decrease) in provision for dividends	13,932.33	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	130.80	(811.11)
(Increase) decrease in finished goods	11,832.57	(19,747.03)
(Increase) decrease in prepayments	2,518.06	(8,225.85)
Increase (decrease) in trade creditors and accruals	(9,012.31)	27,548.32
Increase (decrease) in other creditors	4,070.02	8,582.98
Increase (decrease) in employee entitlements	8,071.12	8,787.74
Increase (decrease) in sundry provisions	289.11	3,635.87
<b>Net cash provided by operating activities</b>	<b>165,864.11</b>	<b>61,059.54</b>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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## **Note 1: Summary of Significant Accounting Policies**

BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED is incorporated and domiciled in Australia.

### **Basis of Preparation**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001 and the Co-operatives National Regulations (NSW).

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of the statements are as follows:

### **Accounting Policies**

#### **(a) Property, Plant and Equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### **Plant and equipment**

Plant and equipment are measured on the cost basis.

##### **Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Notes to the Financial Statements****For the year ended 30 June 2018**

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**(b) Leases**

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

**(c) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a last-in first-out basis.

**(d) Investments**

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

**(e) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bond terms to maturity that match the expected timing of cash flows.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less.

**(g) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on an accruals basis.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the investment.

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

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**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Notes to the Financial Statements****For the year ended 30 June 2018**

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**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(i) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Notes to the Financial Statements****For the year ended 30 June 2018****2018****2017****Note 2: Revenue and Other Income****Sales revenue:**

Trading revenue	4,291,840.86	3,884,985.64
	<u>4,291,840.86</u>	<u>3,884,985.64</u>

**Other revenue:**

Interest revenue	10,329.57	9,824.48
Discounts to members	(427,769.84)	(391,487.69)
Membership Fees	77,005.17	70,212.62
Subsidies received - grants	4,200.00	-
Rent received	17,231.23	16,138.31
	<u>(319,003.87)</u>	<u>(295,312.28)</u>

**Other income:**

Other non-operating revenue	14,331.15	4,433.29
	<u>14,331.15</u>	<u>4,433.29</u>

**Note 3: Cash assets**

## Bank accounts:

Sydney Credit Union	398,652.67	272,659.31
Sydney Credit Union Term Deposit	127,081.59	124,714.77
Maleny Term Deposits	147,794.63	114,589.33
Bendigo Bank Term Deposit	196,825.98	193,576.39
Paypal	1,016.13	-

## Other cash items:

Cash on hand	2,714.84	2,681.93
	<u>874,085.84</u>	<u>708,221.73</u>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Notes to the Financial Statements****For the year ended 30 June 2018**

	2018	2017
<b>Note 4: Receivables</b>		
<b>Current</b>		
Trade debtors	1,608.42	1,739.22
Interest accrual	1,648.76	798.31
	<u>3,257.18</u>	<u>2,537.53</u>
<b>Non-Current</b>		
Bonds and deposits	28,380.00	28,380.00
	<u>28,380.00</u>	<u>28,380.00</u>
<b>Note 5: Inventories</b>		
<b>Current</b>		
Inventory - at cost	135,149.48	146,982.05
	<u>135,149.48</u>	<u>146,982.05</u>
<b>Note 6: Property, Plant and Equipment</b>		
Leasehold improvements:		
- At cost	12,727.12	12,727.12
- Less: Accumulated depreciation	(7,694.24)	(7,694.24)
	<u>5,032.88</u>	<u>5,032.88</u>
Plant and equipment:		
- At cost	333,465.80	328,302.80
- Less: Accumulated depreciation	(243,876.19)	(235,234.81)
	<u>89,589.61</u>	<u>93,067.99</u>
	<u>94,622.49</u>	<u>98,100.87</u>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003****Notes to the Financial Statements****For the year ended 30 June 2018**

	2018	2017
<b>Note 7: Payables</b>		
Unsecured:		
- Trade creditors	42,619.90	51,632.21
- Other creditors	5,800.00	5,800.00
	<u>48,419.90</u>	<u>57,432.21</u>
	<b><u>48,419.90</u></b>	<b><u>57,432.21</u></b>
<b>Note 8: Provisions</b>		
<b>Current</b>		
Provision for donation 18FY	13,932.33	-
Employee entitlements*	54,805.30	43,136.18
	<u>68,737.63</u>	<u>43,136.18</u>
	<b><u>68,737.63</u></b>	<b><u>43,136.18</u></b>
<b>Non Current</b>		
Employee entitlements*	27,572.06	31,170.06
	<u>27,572.06</u>	<u>31,170.06</u>
	<b><u>27,572.06</u></b>	<b><u>31,170.06</u></b>
* Aggregate employee entitlements liability	82,377.36	74,306.24
<b>Note 9: Other Liabilities</b>		
<b>Current</b>		
Advance payments	44,140.77	40,070.75
	<u>44,140.77</u>	<u>40,070.75</u>
	<b><u>44,140.77</u></b>	<b><u>40,070.75</u></b>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Directors' Declaration**

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The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

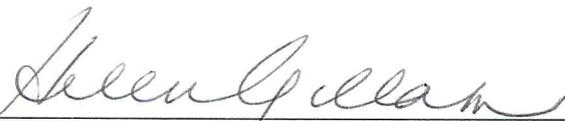
1. the financial statements and notes are in accordance with the Corporations Act 2001 and the Co-operatives National Regulations (NSW):
  - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations and the Co-operatives National Regulations (NSW); and
  - (b) give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. in the directors' opinion, there are reasonable grounds to believe that the company 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.



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Georgia Page  
Director



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~~William MacLean~~  
Director

Helen Gillam  
Treasurer

Dated:

# BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003

## Independent Auditor's Report

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### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED is in accordance with the Corporations Act 2001 and the Co-operatives National Regulations, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001 and the Co-operatives National Regulations (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 company in accordance with the auditor independence requirements of 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001 and the Co-operatives National Regulations (NSW). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and the Co-operatives National Regulations (NSW) and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

# BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003

## Independent Auditor's Report

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In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 company'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 company'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 auditor's report. However, future events or conditions may cause the company 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.

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Independent Auditor's Report**

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We communicate with the directors 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.

Signed on : *19th July, 2018*



William Tomiczek FIPA  
66 Emu Plains Rd Mt Riverview 2774  
Registered Company Auditor 1425

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Trading Account**  
**For the year ended 30 June 2018**

	2018 \$	2017 \$
<hr/>		
<b>Trading Income</b>		
Sales	4,291,840.86	3,884,985.64
<b>Total Trading Income</b>	<u>4,291,840.86</u>	<u>3,884,985.64</u>
 <b>Cost of Sales</b>		
<b>Add:</b>		
Cost of sales	2,837,392.18	2,598,236.33
	<u>2,837,392.18</u>	<u>2,598,236.33</u>
<b>Cost of Sales</b>	<b>2,837,392.18</b>	<b>2,598,236.33</b>
 <b>Gross Profit from Trading</b>	 <u><u>1,454,448.68</u></u>	 <u><u>1,286,749.31</u></u>

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2018**

	2018 \$	2017 \$
<b>Income</b>		
Trading profit	1,454,448.68	1,286,749.31
Discounts to members	(427,769.84)	(391,487.69)
Interest received	10,329.57	9,824.48
Membership Fees	77,005.17	70,212.62
Other non-operating revenue	14,331.15	4,433.29
Subsidies received - grants	4,200.00	-
Rent received	17,231.23	16,138.31
Total income	<u>1,149,775.96</u>	<u>995,870.32</u>
<b>Expenses</b>		
Accountancy	5,821.67	5,244.90
Advertising and promotion	518.20	719.46
Audit fees	5,863.64	5,072.73
Bank Fees And Charges	21,681.20	16,907.05
Cleaning/rubbish removal	17,190.38	17,123.45
Consultants fees	-	3,095.45
Depreciation - other	8,641.38	10,945.92
Donations	22,207.33	7,460.00
Donation - stock	79.51	-
Grant funding expenses	1,649.05	-
Light, Power & Heating	12,375.09	12,665.82
Fees & charges	1,968.24	3,223.97
General expenses	9,043.09	11,040.62
Computer	11,999.18	7,908.64
Insurance	15,801.02	11,177.99
Legal fees	1,921.00	1,400.00
Provision for Leave	8,028.95	8,686.65
Packaging	2,465.86	1,967.28
Printing & stationery	3,454.36	3,229.13
Rent on land & buildings	120,001.54	119,399.98
Repairs & maintenance	4,654.79	8,149.09
Replacements (tools, etc)	6,242.66	6,747.28

The accompanying notes form part of these financial statements.

**BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2018**

	2018	2017
	\$	\$
Security	1,303.90	787.14
Staff amenities	6,840.56	7,242.54
Staff training	492.40	1,728.11
Superannuation	57,863.75	56,677.37
Telephone & Postage	4,165.09	4,019.08
Worker's Compensation Insurance	15,452.55	16,256.64
Wages	656,658.54	616,651.33
Total expenses	<u>1,024,384.93</u>	<u>965,527.62</u>
<b>Profit from Ordinary Activities before income tax</b>	<u><b>125,391.03</b></u>	<u><b>30,342.70</b></u>

# 2018 AGM Minutes



**2017 AGM Minutes 25<sup>th</sup> October 2018 at 7:00pm  
The Ballroom, The Carrington Hotel, Katoomba 2780**

<b>DIRECTORS PRESENT</b>	Chris Dubrow, Rachel Hall, Helen Gillam, Georgia Page, Sonya Byron
<b>ABSENT</b>	
<b>APOLOGIES</b>	Will Maclean (Director), Narelle Wilson (Director), Rebekah Norton (Staff), Rebecca Tyson (Staff), Sally-Anne Pisk (Member), Mike Patterson (Staff), Jacqueline Forster (Staff)
<b>STAFF ATTENDEES</b>	Maeve Dunnett, Alison Garland, Rachel Szalay, Lesley Sammon, Nicole Forest
<b>OTHER SPECIAL ATTENDEES</b>	Kathryn Taylor (Nominee), Amy Tyson (Returning Officer), Halin Nieuwenhuys (Manager), David King (Welcome)
<b>MEMBER ATTENDEES</b>	Susan Ambler, Tania De Bortoli, Craig Linn, Amanda Linn, Belinda Smith, Robin Shannon, Kaye Ridgeway, Murray Hopkins, Duncan McKillop, Ian Dudley-Bestow, Hal Ginges, Heather Ginges, Josh Dodson (Lapsed – No vote – Household member), Maureen Grant
<b>TOTAL MEMBERS ATTENDED</b>	26
<b>MEMBER DECLARATIONS FOR NOMINEES TAKEN</b>	25



## 2017 AGM Minutes 25<sup>th</sup> October 2018 at 7:00pm The Ballroom, The Carrington Hotel, Katoomba 2780

### 1) Welcome to Country

Thank you: David King

### 2) Discuss meeting intentions in terms of Member and Board interaction

Thank you: Georgia Page

### 3) Value Statement

'The Blue Mountains Food Co-op is a member-owned not for profit organisation. We value community, respect the environment and promote equality and social responsibility.

We seek to provide an accessible and welcoming shopping environment, and share information to help members and the broader community make informed choices about what they eat and how they live.'

### 4) Introduction of current Directors

Thank you: Georgia Page

### 5) Approval of November 2017 AGM Minutes

Minutes circulated to room

**Moved:** Murray Hopkins

**Seconded:** Robin Shannon

### 6) Summary of Chair's annual report

Craig Linn raised the fact that important emails may not be reaching members.

Maureen grant requested that notification of the AGM be delivered to the members via email.

Robin Shannon requested that annual reports from manager and directors be emailed out to members with several days' notice of the AGM.

**Motion:** That the Chair's report be accepted

**Moved:** Chris Dubrow

**Seconded:** Alison Garland



## 2017 AGM Minutes 25<sup>th</sup> October 2018 at 7:00pm The Ballroom, The Carrington Hotel, Katoomba 2780

### 7) Summary of Treasurer's annual report

Helen Gillam answered Maureen Grant's question about total reserves and confirmed that our reserves had grown healthily in the past financial year.

**Motion:** That the Treasurer's report be accepted

**Moved:** Helen Gillam

**Seconded:** Sonya Byron

### 8) Summary of Manager's annual report

**Motion:** That the Manager's report be accepted

**Moved:** Josh Dodson

**Seconded:** Rachel Szalay

### 9) Review donations report and advise official donations budget for 2018-2019 financial year

10% of 2017-2018 profit \$125,391.03 = \$12,539.10

**Motion:** To accept the donations report and confirm the amount allocated to donations for the 2018-2019 financial year.

**Moved:** Halin Nieuwenhuys

**Seconded:** Susan Ambler

### 10) Resignation of Board Directors

Will Maclean

Georgia (renominate)

Thank you so much Will. Gift presented to his daughter, Molly.

### 11) Introduction of the nominees for vacant Board positions for 2018

Kathryn Taylor  
Georgia Page

Georgia Page addressed Robin Shannon's question about the purpose of directors standing down and re-nominating. The purpose is to ensure members have the opportunity to nominate themselves if they wish to be a director.



## 2017 AGM Minutes 25<sup>th</sup> October 2018 at 7:00pm The Ballroom, The Carrington Hotel, Katoomba 2780

Georgia Page responded to Ian Dudley-Bestow and Maureen Grant on their questions about how she would achieve the claims in her statement, published in her bio, distributed at the meeting.

Murray Hopkins made comments in support of Georgia Page's involvement in the board thus far. Murray's comments were seconded by:

Amy Tyson  
Maeve Dunnett  
Sonya Byron.  
Rachel Szalay

**Declarations:** Counted by returning officer (Amy)

**Results:** Georgia  
Yes (23)  
No (2)

Kathryn  
Yes (23)  
No (2)

### 12) Appointment of Directors of the Board

**Thank you:** Georgia

Welcome and congratulations to Georgia and Kathryn

### 13) Business raised by members

#### I. **Craig Linn moved:**

Thank you to the board for all of the time and effort they commit to the Co-op.

**Seconded:** Amanda Linn

Carried by show of hands

#### II. **Robin Shannon moved:**

Thank you for all of the help provided by the Co-op to Lyttleton Stores.

**Seconded:** Lesley

Carried by show of hands



## **2017 AGM Minutes 25<sup>th</sup> October 2018 at 7:00pm The Ballroom, The Carrington Hotel, Katoomba 2780**

### **14) Suggestions and questions put forward by members**

- I. Tania De Bortoli – Motions should be able to be put up by members in regards to the meat decision. This needs to be an inclusive process. We need a platform where members can contribute. This would need to be moderated.
- II. Ian Dudley Bestow – How will the Co-op consult all the members in regards to meat decision? Perhaps we will need to use a consultant to assist in managing this
- III. Robin Shannon – How has the suggestion box been used? Halin addressed, advising that we do get some feedback via this platform. A lot of it is positive and general. Some comments have triggered some operational changes. Susan Ambler suggested publishing some of the suggestions to encourage others to contribute.
- IV. Duncan Mckillop - Communication from the co-op is spasmodic and needs to be rectified.
- V. Duncan Mckillop - requested that the co-op find out how people can electronically scan/store their cards at the co-op, rather than have to carry the card with them.
- VI. Georgia Page expressed that members attending the AGM is very useful, the board wants its members input.

### **15) Thank you and close**

**Meeting closed at: 8:20pm**