



ANNUAL REPORT 2017

Blue Mountains Food Co-op Ltd.

Shop 1 & 2 Jones House Ha'penny Lane Katoomba NSW 2780

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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 21, 2017 Annual General Meeting of the Blue Mountains Food Co-operative Ltd. **The Directors also submit the Treasurer's Financial Report and the Auditor's Report for the financial year ended June 30, 2017.**

Many thanks to the members who have joined us this afternoon 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.

Helen Gillam succeeded Grenfell Olsen as Treasurer after our 2016 AGM. Helen's extensive experience as an accountant as well as her long term commitment to social and environmental issues organisations have made her an excellent fit for the role of Co-op Treasurer. Helen is working closely with our manager and book-keeper and is a member of the Finance Committee.

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.

Louise O'Halloran resigned from the board in July this year due to work commitments and associated travel and her place on the board has remained vacant. Louise was elected to the board at the 2014 AGM; she brought very valuable governance experience from her time serving on the boards of other community organisations and her work in the environmental, social and community investment fields. Her big-picture thinking made for great contributions to discussion and our heartfelt thanks go to Louise for her generous contributions to the Co-op and board.

Beeby is also stepping down from the board this year, after serving 4 years as a Director. Elected to the board at the 2013 AGM, Beeby has worked extensively with the Co-op Manager on reviewing and updating the **Co-op's broad range of policies. Beeby's background is in community services, community management and education and her contributions to the board's deliberations were always well considered, fair and insightful.** Our deepest thanks to Beeby for her time and commitment to the Co-op.

The board is currently trialling a new model of meeting, alternating our monthly meetings between business meetings (standard board/decision making meetings) and strategic planning meetings. This affords the board a bi-monthly opportunity to dig into deeper and more extensive conversations and deliberations about the big picture issues for the Co-op. It is so far proving to be an effective model that has created the time and space for quality discussions while still meeting the administrative needs of the Co-op.

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 2016/2017 financial year were as follows:

Director	Position	Elected	End of Term	Meetings Held	Meetings Attended
O'Halloran, Louise	Director	25/11/14	19/7/17	8	5
Maclean, William Bruce	Director	19/11/11	N/A	11	8
Page, Georgia Lord	Director/Chair	25/11/14	N/A	11	9
Dubrow, Chris	Director	15/10/16	N/A	11	10
Gillam, Helen	Treasurer/Secretary	15/10/16	N/A	11	5
Beeby, Helen	Director	26/11/13	21/10/17	11	7
Servine, Sonya	Director/Staff Representative	25/2/16	N/A	11	7

OUR PROGRESS

As always, my deepest thanks go to all Co-op staff for yet another wonderful 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.

A review of our Enterprise Bargaining Agreement is underway and will be finalised in the coming months.

One of the strong points to come out of Strategic Planning Day in October 2016 was our interest in establishing new ways to take education about healthy food into new areas in our community. Our Education & Member Liaison Coordinator ran with this and created a pilot program for the North Katoomba Community Hub Play and Chat group designed to offer young families ideas and information about cost effective healthy eating.

The 'little shop' is growing up and moved into the 'big little shop' space. The extra shop has been a lovely and very popular addition to the Co-op and has also served the purpose of alleviating some of our space issues both on the shelves and in our storage.

Progress continues with the review and updating of the Co-op's policies and procedures documentation. It is a lengthy and detailed process but well worth it – it will stand the Co-op in good stead as we continue to grow, and that will also allow us to support and share information with new and growing Co-op's.

It seems to come around remarkably quickly but I always love reflecting on another year at the Co-op. We are a strong and viable 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 2017.

Revenue for the year was \$3.8 million, up 5.5% on last year. Net profit fell from \$69,900 to \$30,343, largely because of increased administrative costs, namely wages, rent, electricity and merchant expenses. Wages expense grew by 5.8%, but remained at 15.8% of sales revenue as it was in the previous year.

At year end we had \$708k in cash and term deposits and \$147k in inventory.

The Co-op remains in a sound financial position, We have added to our cash reserves that are there waiting to be utilised when we find the new, larger premises that will 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

Reflecting on all the reports I have made over the last 5 years it is impossible not to repeat myself. Once again it comes as no surprise that the Co-op continues to grow and thrive in our community as the demand **for great quality food that doesn't cost the earth continues to grow.**

We have had our fair share of challenges to contend with this year, particularly earlier in the year when an unexpected heat wave took out two of our refrigeration condensers and the hot weather seemed to dampen our members' enthusiasm for shopping leading to reduced sales for January and February. However with the onset of the cooler weather and the move of our little shop to our Big Little Shop in Easter this year, sales have jumped to a 9% increase on the same period last year.

Despite some of the difficulties of the year, I continue to be amazed at how our hardworking staff continue to keep the dance going and the cogs turning smoothly – moving ever increasing quantities of stock through our fairly limited storage areas and out on to the floor.

Last year I mentioned our desire in the coming year to find more ways to reach out into the community and provide education about food, gardening, sustainability and nutrition. I think we can confidently say we are well on the way to achieving these aims with creative and focused work of our education and member liaison coordinator Prue Adams. She has done a wonderful job of getting the Nourishing Families program up and running at the North Katoomba Community Hub based at North Katoomba Primary school. The program teaches and supports families to learn more about cooking tasty, affordable and nutritious food.

Following close on the heels of the War on Waste series on the ABC earlier this year we also ran activities during plastic free July to raise awareness about plastic waste and encourage as much plastic free living as possible with our Great Bring Your Own Bags and Containers Challenge.

Our wonderful Wellness Wednesday practitioners Danielle O'Donoghue, Chris Ireland and Sallyanne Pisk continue to provide a wealth of nutritional information and tempting tastings on Wednesday mornings.

Other initiatives of the year have included the Boomerang Bag launch, mending mentoring on Mondays and monthly gardening sessions with Steve Fleischmann at the Katoomba Community Gardens.



This year we have also had an active volunteer research group who have helped us delve into some of the gnarly questions we never have time to follow up. With the approval of the board we will make their findings available on our website over the next year.

Our move of the Little Shop to the Big Little Shop has proved very positive - attracting plenty of newcomers who enjoy the opportunity to stop and have a chat and find out what the Co-op is all about without the hustle, bustle and rush of the main shop. We have sourced a lot more local suppliers of lovely sustainable products ranging from skin care to wooden spoons and all manner of bee related items.

Is it the vibe; is it the food; or is it just the age that we're living in? We're not really sure why, but our membership seems to be on the rise. We now have a membership of around 2400 and make around 10500 sales a month of which 85% are to our members.

And just a little explanation for why we love all of you members to show us your card each time you shop; **the 10500 sales we make each month equates to 1.6 sales per minute. We know how much you don't like standing in a queue and we'd just like to much the whole experience as streamlined as we can and typing in names and numbers just takes a whole lot longer.**

In store for the following year? Probably more. More inspiring projects, probably more members, more veg-gies through the door and more opportunities to share our love of great food.

If you have any questions about the Co-op, or suggestions please come and talk to me, send us an email to our hello@bmfoodcoop.org.au address or pop a note in our suggestion box outside the shop.



DONATIONS REPORT **Lesley Sammon**

The \$1050.00 balance of 2016 donations allocation was donated to the North Katoomba Hub project, Nourishing and Delicious.

\$7000 was allocated at the 2016 AGM, for community donations to be distributed in 2017 (10% of 2015-2016 financial year surplus). These donations are made as Gift Vouchers to be spent in the Food Coop. They go to local food related and Social Justice projects.

Regular Monthly Donations have gone to:

North Katoomba Public School – Breakfast Program
Lawson Primary School – Breakfast program
Katoomba Neighbourhood Centre - Community Lunches, Community Development projects and Vale Street Community Mental Health Project
Blue Mountains Family Support Service – Emergency Relief
Blue Mountains Refugee Support – food for refugee families in detention and in the community.
Aboriginal Culture & Resource Centre – **children's, elders & family support programs.**
Dianella Cottage – Community support
Garguree Swampcare – food for volunteers
Let There be Soup – Free soup and chai for those in need.
Katoomba Community Gardens – community events and seeds for planting
Blue Mountains Food Rescue – Affordable meals and emergency relief
Wagana Aboriginal Dancers

Occasional and one-off donations have gone to:

Indigenous Intellectual Property Conference
UNSW Soup project
Blue Mountains East Timor Quiz
Blue Mountains SCU Family Support Fundraiser
Girls Education Fundraiser: Do It In A Dress

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 2017 the box has been used to collect donations for –

Papua New Guinea Nutrition Project

BM Refugee Support Group

Blue Mountains Family Support Service's Christmas appeal.

Lesley Sammon



2017 Financial Audit Report

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

**Financial Statements
For the year ended 30 June 2017**

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Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2017.

Directors

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

Georgia Page
Louise O'Halloran (resigned 19th July 2017)
William MacLean
Helen Langsford
Sonya Servine
Helen Gillam (appointed 20th October 2016)
Chris Dubrow

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 income tax amounted to:

	Year ended	Year ended
	30 June 2017	30 June 2016
	\$	\$
	30,342.70	69,900.51

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.

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' Report

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

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

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.

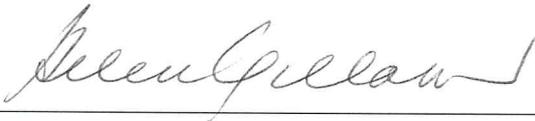
Auditors Independence Declaration

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:



Georgia Page
Director



Helen Gillam
Treasurer

Dated:

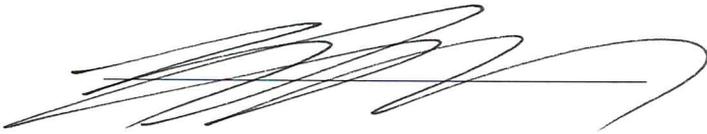
Auditor's Independence Declaration

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 2017 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



21 August 2017

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 2017

	Note	2017 \$	2016 \$
Revenue	2	3,884,985.64	3,679,771.42
Other revenue	2	(295,312.28)	(271,151.05)
Cost of sales		<u>(2,598,236.33)</u>	<u>(2,480,314.51)</u>
Gross profit		991,437.03	928,305.86
Other income	2	4,433.29	10,449.71
Marketing		(719.46)	(2,519.14)
Selling expenses		(3,095.45)	
Administration expenses		<u>(961,712.71)</u>	<u>(866,335.92)</u>
Profit before income tax		30,342.70	69,900.51
Income tax (credit) expense			
Profit for the year		<u>30,342.70</u>	<u>69,900.51</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Total other comprehensive income for the year, net of tax			
Total comprehensive income for the year		<u>30,342.70</u>	<u>69,900.51</u>

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 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash assets	4	708,221.73	647,162.19
Receivables	5	2,537.53	2,292.10
Inventories	6	146,982.05	127,235.02
Other financial assets	7	1,000.00	1,000.00
Other	8	8,225.85	
Total Current Assets		866,967.16	777,689.31
Non-Current Assets			
Receivables	5	28,380.00	22,899.59
Property, plant and equipment	9	98,100.87	100,687.61
Total Non-Current Assets		126,480.87	123,587.20
Total Assets		993,448.03	901,276.51
Liabilities			
Current Liabilities			
Payables	10	57,432.21	24,083.89
Financial liabilities	11		1,048.66
Current tax liabilities	12	21,227.67	19,220.61
Provisions	13	43,136.18	37,275.76
Other	14	40,070.75	37,287.77
Total Current Liabilities		161,866.81	118,916.69
Non-Current Liabilities			
Provisions	13	31,170.06	28,242.74
Total Non-Current Liabilities		31,170.06	28,242.74
Total Liabilities		193,036.87	147,159.43
Net Assets		800,411.16	754,117.08
Equity			
Retained profits		261,584.07	231,241.37
Other		538,827.09	522,875.71
Total Equity		800,411.16	754,117.08

The accompanying notes form part of these financial statements.

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

**Statement of Cash Flows
For the year ended 30 June 2017**

	2017	2016
	\$	\$
<hr/>		
Cash Flow From Operating Activities		
Receipts from customers	3,585,099.87	3,398,828.80
Payments to Suppliers and employees	(3,533,864.81)	(3,340,863.07)
Interest received	9,824.48	10,990.08
Net cash provided by (used in) operating activities (note 2)	<u>61,059.54</u>	<u>68,947.81</u>
Net increase (decrease) in cash held	61,059.54	68,947.81
Cash at the beginning of the year	<u>647,162.19</u>	<u>578,214.38</u>
Cash at the end of the year (note 1)	<u><u>708,221.73</u></u>	<u><u>647,162.19</u></u>

The accompanying notes form part of these financial statements.

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

Statement of Cash Flows
For the year ended 30 June 2017

2017

2016

Note 1. Reconciliation Of Cash

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	272,659.31	218,554.28
Sydney Credit Union Term Deposit	124,714.77	121,222.41
Maleny Term Deposits	114,589.33	111,532.97
Bendigo Bank Term Deposit	193,576.39	189,311.40
Cash on hand	2,681.93	6,541.13
	<u>708,221.73</u>	<u>647,162.19</u>

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

Operating profit (loss) after tax	30,342.70	69,900.51
Depreciation	10,945.92	18,341.88
(Profit) / Loss on sale of property, plant and equipment	(4,433.29)	(10,449.71)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(811.11)	(843.94)
(Increase) decrease in finished goods	(19,747.03)	(12,349.84)
(Increase) decrease in prepayments	(8,225.85)	
Increase (decrease) in trade creditors and accruals	27,548.32	6,813.77
Increase (decrease) in other creditors	8,582.98	565.01
Increase (decrease) in employee entitlements	8,787.74	(7,272.30)
Increase (decrease) in sundry provisions	8,069.16	5,292.79
Net cash provided by operating activities	<u>61,059.54</u>	<u>68,947.81</u>

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.

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.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(b) Leases

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.

Notes to the Financial Statements

For the year ended 30 June 2017

(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 first-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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(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 using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

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

(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.

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

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
Note 2: Revenue and Other Income		
Sales revenue:		
Trading revenue	3,884,985.64	3,679,771.42
	<u>3,884,985.64</u>	<u>3,679,771.42</u>
Other revenue:		
Interest revenue	9,824.48	10,990.08
Discounts to members	(391,487.69)	(364,615.04)
Membership Fees	70,212.62	67,106.05
Rent received	16,138.31	15,367.86
	<u>(295,312.28)</u>	<u>(271,151.05)</u>
Other income:		
Other non-operating revenue	4,433.29	10,449.71
	<u>4,433.29</u>	<u>10,449.71</u>
Note 3: Profit from Ordinary Activities		
Profit (loss) from ordinary activities before income tax has been determined after:		
Charging as Expense:		
Cost of non-primary production goods traded	2,598,236.33	2,480,314.51
Depreciation of non-current assets:		
- Other	10,945.92	18,341.88
Total depreciation expenses	<u>10,945.92</u>	<u>18,341.88</u>
Note 4: Cash assets		
Bank accounts:		
Sydney Credit Union	272,659.31	218,554.28
Sydney Credit Union Term Deposit	124,714.77	121,222.41
Maleny Term Deposits	114,589.33	111,532.97
Bendigo Bank Term Deposit	193,576.39	189,311.40
Other cash items:		
Cash on hand	2,681.93	6,541.13
	<u>708,221.73</u>	<u>647,162.19</u>

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

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
Note 5: Receivables		
Current		
Trade debtors	1,739.22	928.11
Bills of exchange	798.31	1,363.99
	<u>2,537.53</u>	<u>2,292.10</u>
Non-Current		
Bonds and Deposits	28,380.00	22,899.59
	<u>28,380.00</u>	<u>22,899.59</u>
Note 6: Inventories		
Current		
Raw materials and stores at net realisable value	146,982.05	127,235.02
	<u>146,982.05</u>	<u>127,235.02</u>
Note 7: Other Financial Assets		
Current		
Shares in other corporations - at cost:		
- Bendigo Bank	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
	<u>1,000.00</u>	<u>1,000.00</u>
Note 8: Other Assets		
Current		
Prepayments	8,225.85	
	<u>8,225.85</u>	

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

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
Note 9: Property, Plant and Equipment		
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	328,302.80	525,987.59
- Less: Accumulated depreciation	(235,234.81)	(430,332.86)
	<u>93,067.99</u>	<u>95,654.73</u>
	<u>98,100.87</u>	<u>100,687.61</u>
Note 10: Payables		
Unsecured:		
- Trade creditors	51,632.21	24,083.89
- Other creditors	5,800.00	
	<u>57,432.21</u>	<u>24,083.89</u>
	<u>57,432.21</u>	<u>24,083.89</u>
Note 11: Financial Liabilities		
Current		
Unsecured:		
- Bond Sublease		1,048.66
Note 12: Tax Liabilities		
Current		
GST payable control account	546.86	616.46
Superannuation payable	14,750.81	11,763.42
Amounts withheld from salary and wages	5,930.00	6,840.73
	<u>21,227.67</u>	<u>19,220.61</u>

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

Notes to the Financial Statements

For the year ended 30 June 2017

	2017	2016
Note 13: Provisions		
Current		
Employee entitlements*	43,136.18	37,275.76
	<u>43,136.18</u>	<u>37,275.76</u>
Non Current		
Employee entitlements*	31,170.06	28,242.74
	<u>31,170.06</u>	<u>28,242.74</u>
* Aggregate employee entitlements liability	74,306.24	65,518.50

Note 14: Other Liabilities

Current

Advance payments	40,070.75	37,287.77
	<u>40,070.75</u>	<u>37,287.77</u>

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

Directors' Declaration

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:**
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and**
 - (b) give a true and fair view of the company's financial position as at 30 June 2017 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.



Georgia Page
Director



Helen Gillam
Treasurer

Dated:

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 2017, the statement of comprehensive income, 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, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2017 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.**

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. 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 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.

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.

Independent Auditor's Report

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.**

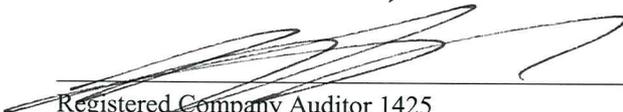
- **Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.**

- **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.**

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 : *18th August 2017*


Registered Company Auditor 1425

William Tomiczek FIPA

66 Emu Plains Rd Mt Riverview 2774

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

Trading Account

For the year ended 30 June 2017

	2017	2016
	\$	\$
<hr/>		
Trading Income		
Sales	3,884,985.64	3,679,771.42
Total Trading Income	<u>3,884,985.64</u>	<u>3,679,771.42</u>
Cost of Sales		
Add:		
Cost of sales	2,598,236.33	2,480,314.51
	<u>2,598,236.33</u>	<u>2,480,314.51</u>
Cost of Sales	2,598,236.33	2,480,314.51
Gross Profit from Trading	<u><u>1,286,749.31</u></u>	<u><u>1,199,456.91</u></u>

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 2017

	2017	2016
	\$	\$
Income		
Trading profit	1,286,749.31	1,199,456.91
Discounts to members	(391,487.69)	(364,615.04)
Interest received	9,824.48	10,990.08
Membership Fees	70,212.62	67,106.05
Other non-operating revenue	4,433.29	10,449.71
Rent received	16,138.31	15,367.86
Total income	<u>995,870.32</u>	<u>938,755.57</u>
Expenses		
Accountancy	5,244.90	7,591.50
Advertising and promotion	719.46	2,519.14
Audit fees	5,072.73	5,327.27
Bank Fees And Charges	16,907.05	12,329.47
Cleaning/rubbish removal	17,123.45	15,872.52
Consultants fees	3,095.45	
Depreciation - other	10,945.92	18,341.88
Donations	7,460.00	5,720.00
Light, Power & Heating	12,665.82	8,854.49
Fees & charges	3,223.97	2,926.40
General expenses	11,040.62	6,118.00
Computer	7,908.64	10,598.65
Insurance	11,177.99	9,884.91
Legal fees	1,400.00	
Provision for Leave	8,686.65	(7,199.55)
Packaging	1,967.28	1,613.48
Printing & stationery	3,229.13	1,270.22
Rent on land & buildings	119,399.98	100,237.81
Repairs & maintenance	8,149.09	5,807.83
Replacements (tools, etc)	6,747.28	4,111.72
Security	787.14	658.00
Staff amenities	7,242.54	4,428.03
Staff training	1,728.11	814.55
Superannuation	56,677.37	49,019.43
Telephone & Postage	4,019.08	3,746.11
Worker's Compensation Insurance	16,256.64	15,289.49
Wages	616,651.33	582,973.71
Total expenses	<u>965,527.62</u>	<u>868,855.06</u>
Profit from Ordinary Activities before income tax	<u><u>30,342.70</u></u>	<u><u>69,900.51</u></u>

The accompanying notes form part of these financial statements.

2017 AGM Minutes





**2017 AGM Minutes 21st October 2017 at 5:00pm
Big Beet Juice & Espresso Bar, Katoomba 2780**

DIRECTORS PRESENT	Georgia Paige (Chair), Helen Langsford-Beeby, Will Maclean, Chris Dubrow (Household member), Helen Gillam
ABSENT	
APOLOGIES	Sonya Servine (Director), Mike Patterson (Stock Manager), Halin Nieuwenhyuse (Manager), Deborah Hurley (Nominee)
STAFF ATTENDEES	Amy Tyson (Returning Officer), Prue Adams, Chris Ireland, Lee O'Donoghue, Rebecca Tyson, Milo Morrison-Jones, Leanne Eagle, Rebecca Norton, Jeff Dargan, Steven Erntner, Sarah Dillane
OTHER ATTENDEES	Rachel Hall (Nominee), Narelle Wilson (Nominee), David King (welcome to country) Murray Hopkins, Penelope Walker (Household member)
MEMBER ATTENDEES	Guy McIlrath, Freya McCann, Annette Glenn, Gerhard Hassler, Kerry Kirk, Duncan Mckillop, Sallyanne Pisk, Kay Ridgeway, Belinda Smith, Ishtar Wildweed (didn't vote), David Hodgekiss, David Olsson
TOTAL MEMBERS ATTENDED	35
VOTES TAKEN	35



2017 AGM Minutes 21st October 2017 at 5:00pm Big Beet Juice & Espresso Bar, Katoomba 2780

1) Acknowledgment of Country

Thank you: David King

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

Thank you: Georgia

3) Introduction of current Directors

Thank you: Georgia

4) Approval of November 2016 AGM Minutes

Minutes circulated to room

Moved: William Maclean

Seconded: Freya McCann

5) Summary of Chair's annual report

Motion: That the Chair's report be accepted

Moved: Beeby

Seconded: Murray Hopkins

6) Summary of Treasurer's annual report

Motion: That the Treasurer's report be accepted

Moved: Helen Gillam

Seconded: Narelle Wilson

7) Summary of Manager's annual report

Motion: That the Manager's report be accepted

Moved: Leanne Eagle

Seconded: Rebecca Norton



2017 AGM Minutes 21st October 2017 at 5:00pm Big Beet Juice & Espresso Bar, Katoomba 2780

8) Resignation of Board Directors

Lou O'Halloran, Beeby

Thank you so much to Beeby and Lou.

9) Introduction of the nominees for vacant Board positions for 2016

Rachel Hall
Narelle Wilson
Deborah Hurley

Voting: Counted by returning officer (Amy)

Results: Rachel	11111	11111	11111	11111	11111	
Deborah	11111	11111				
Narelle	11111	11111	11111	11111	11111	111

10) Appointment of Directors of the Board

Thank you: Georgia

Welcome and congratulations to Narelle and Rachel

Georgia and Helen Gillam addressed a members concern about our profit for last FY.

11) Thank you and close

Meeting closed at: 6:00pm