

BLUE MOUNTAINS FOOD CO-OP

EST. 1981



ANNUAL REPORT 2020



community owned | not-for-profit

THE CO-OP

MISSION AND VISION

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.

CONTENTS

The Board	3
Chairpersons Report	4
Managers Report	5
Donations Report	6
Volunteers Report	8
Marketing & Community Education Report	9
Treasurers Report	11
Financial Statement & Auditor's Report	12
Draft Minutes 2018 AGM	23

BLUE MOUNTAINS FOOD CO-OP LTD.
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PO Box 305 Katoomba NSW 2780
Phone 02 4782 5890 Email hello@bmfoodcoop.org.au
bmfoodcoop.org.au
ABN 44 541 435 003

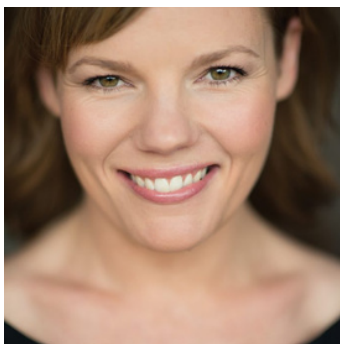


THE BOARD

The Board meets on a monthly basis, and has enjoyed the input of members at a number of meetings this year. Our Directors bring a broad range of professional experience and perspectives to their roles, and a healthy range of opinions to the table, and our discussions are rigorous, robust, and respectful. We enjoy a strong working relationship with the Co-op's Manager and always seek to have an open channel of communication with staff.

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.

DIRECTORS



Georgia Page, Chair



Lou O'Halloran, Treasurer



Narelle Wilson



Rowan Druce



Ursula King



Luke Reeves



Sonya Byron (Staff)

A MESSAGE FROM THE CHAIR

I have been on a leave of absence since March 2020 and subsequently am not in a position to comment on the Co-op's year. I have been caring for my darling partner through a protracted illness this year and while this has seen me step away from my role as Director and Chair, it has also reinforced for me the strength and beauty of the Co-op as an organisation and community. The understanding and practical support I have received from my fellow directors, our manager and staff has been truly heart-warming, and has contributed in no small way to my ability to cope in this challenging time. The Co-op is a good organisation, run and supported by good people with good hearts and I am deeply glad and grateful to be a part of this community. I look forward to returning to my role as Director soon, and paying forward the goodness.

Georgia Page

Blue Mountains Food Co-op Board Chairperson



MANAGERS REPORT

Goodness me what a year to reflect on!!!

Between our last AGM and now we've lived through the worst drought and the worst bushfires Australia has experienced and now a pandemic! However, to our very great surprise, while many businesses have struggled to make ends meet in these circumstances, the Co-op has thrived thanks to our many loyal and hungry stay at home, cook at home members.

Between January and June this year our sales increased by 13% on the previous year. The main increases were in fruit and veg, baking products and the Big Little Shop. No surprises there given the rush in the rest of the country for toilet paper, eggs and flour!

*In the 2019/20 financial year we sold 3,071 rolls of toilet paper
(that's 3 x more than the previous year)
& 80% more flour than the year before*



For much of the year we've mostly been in survival mode, keeping up with the increased demand in March and April, managing much needed and long overdue staff leave and stress, and implementing Covid safety procedures. But we have managed to squeeze in the review of our rules to bring them into line with the National Cooperative law which you will be voting on at this year's AGM.

After the decision last year that the Co-op would sell meat, members have been able to place orders for regeneratively farmed beef packs from Southleigh Farms in Hartley.

So thank you dear members for your continued enthusiastic support, your patience with our handwashing and social distancing measures, and your kindness and understanding during these challenging times.

And a huge thank you to all of our awesome team who have weathered this difficult year with grace and incredible commitment to keep the Good Shop Co-op sailing smoothly through the fire, the storms and the plague.

Nice work everyone!

Halin Nieuwenhuys

Blue Mountains Food Co-op Manager



DONATIONS REPORT

Every year the Co-op donates 10% of net surplus earnings to local social justice, environmental and food security organisations. The 2019-20 Financial Year Donations Budget was \$2377.90. This was a relatively small amount particularly after the large allocation from 2018-19. Distribution of services by donor recipients has also been very different this year as many face to face activities by community groups have not been able to continue in the usual ways.

REGULAR DONATIONS

Community lunches at Katoomba Neighbourhood Centre \$200

North Katoomba Public School - Breakfast Program & Canteen \$270

Aboriginal Culture and Resource Centre \$500

Katoomba Community Gardens \$150

Blue Mountains Refugee Support Group - Food for Refugee Families plus Advocacy & Support \$750

Thrive Family Support Blue Mountains - Covid support packages for families \$500

ONE-OFF DONATIONS

Permaculture Toongabbie Course (seeds)

Blue Mountains Extinction Rebellion - Food for meetings

Blue Mountains Women's Health Centre - Fundraising Quiz prize

Katoomba Public School - Raffle prize

Varuna Writers Centre - Raffle prize

Do It in a Dress - Girls Education Appeal - Food for Fundraiser

WIRES Blue Mountains fundraiser prize

ANNUAL INTERNATIONAL
WOMEN'S DAY DONATION
*Blue Mountains Campaign
Against Violence and Abuse*
\$500





DONATIONS BOX

This year we collected \$100 for Do It In A Dress to support Education for Girls and Young Women. And during the bushfires \$700 was raised and split equally between Blue Mountains Local Rural Fire Services and Blue Mountains Wildlife Recovery work by WIRES.

DIGNITY DRIVE, FRESHEN UP A FIREY & WOMBAT SWEET POTATOES

Thank you, once again, to all Co-op members and customers who also donated food and personal care items to the causes we supported this year. We couldn't do it without you.

Lesley Sammon

Blue Mountains Food Co-op Donations Coordinator

VOLUNTEERS REPORT

This year saw the Volunteer Coordinator role change hands from Lesley to Elmira and then to myself in August 2020. I am already very much enjoying training and supporting our volunteers, who are integral to how the Co-op functions. We couldn't do it without you, so thank you! And thank you Lesley and Elmira for all the work you put in during your time in the role.



It has been a huge year in so many ways and volunteering at the Co-op has been affected too. When Covid hit NSW early in 2020, our volunteers came to the rescue helping us to introduce customer hand washing at the door of the shop.

I would like to thank our volunteers for their help at that time and for gracefully resuming their normal duties to support the smooth running of the shop as the situation unfolded.

In 2019 we introduced a self rostering system for volunteering which on the whole is working fantastically. The roster, which includes about 90 x 2 hour shifts per month, seems to fill to an average of about 50% (around 90 hours of help in the shop per month).

I intend to work closely with staff and volunteers, gathering feedback and providing support, with the intention of getting that roster closer to full capacity.

***In the 2019/20 financial year 124 households volunteered 1770 hours,
an average of 147 hours per month***

Over 50 hours per month were spent volunteering outside of shop shifts such as the cleaning bee, basket shaping and other special tasks. Co-op member Anna Feord was our most regular volunteer clocking up 68 hours over the year! Other regular volllie households include Nancy Oosterhoff, Jerrah Patston, Jillian Salz, Anne Shaw, Hillary Stritch and Layla Solomon-Carson who all did over 40 hours of volunteering for us this year. You are all stars!

We continue to receive volunteer applications through the website every month and our back log for training that was created by a break early in 2020 due to Covid is just about cleared. I want to thank all of those volllies that waited patiently on the list for several months. We love our volunteers!

Bec Tyson

Volunteer Coordinator

MARKETING & COMMUNITY EDUCATION REPORT

EDIBLE GARDEN TRAIL

Despite a challenging summer for growers the 2020 Edible Garden Trail was a great success raising over \$9,000 for participating school and community gardens and establishing the open garden weekend as the Co-op's flagship annual event.

The main focus of this year's Trail was engaging mountain schools to promote healthy eating and outdoor education. Carolyn Armstrong, Assistant Principal at Lawson Public School, says being involved in the Edible Garden Trail has enhanced a spirit of wellbeing and connectedness in her school community. Lawson school had no active gardens and an unused kitchen before joining the Trail but Carolyn says the school's garden project has engaged staff, families, and students from Kindergarten to Year 6 in creating and maintaining the gardens, while developing sustainable and critical living skills.

We thank the tireless volunteers for opening their productive patches to the public to showcase their skill, ingenuity, growing know-how and community-mindedness, and look forward to celebrating Indigenous Edibles on the 2021 Edible Garden Trail.

KATOOMBA CALLING

The Co-op is now a proud supporter of community broadcaster Radio Blue Mountains 89.1FM, funding the Green Thumbs radio segment on Wednesday mornings between 9 - 10am. Our radio ad is aired regularly, we have a click through logo on the station's website and we get a regular spot to talk all things Co-op; a great way to reach out to our community in times of social isolation. In addition to our radio ad, the Co-op film ad is being shown at Mount Vic Flicks before each session.

Instagram 2,322 followers

Facebook 4,372 followers

Newsletter subscribers 5,390



Before the fires and the pandemic we were lucky to receive visits from some popular personalities. Paul West, from River Cottage Australia, entertained a large group of fans at Logan Brae's Machinery Shed where the Co-op hosted the launch of his Edible Garden book. Paul called into the Co-op to sample some of Belinda's famous caramel slice on his whirlwind mountains tour.



Costa Georgiadis from ABC Gardening Australia was another welcome visitor. Costa popped in for a cuppa with Halin, Jacq and Amy in the office before checking out the local produce on offer in the shop. Costa is a keen supporter of the Edible Garden Trail and promises to give us a lovely big shout out in the lead up to the event next year. Unfortunately, he can't attend because it clashes with his obligations at the Begonia Festival. True story.

ART FOR EARTH'S SAKE

Our window gallery space continues to promote awareness of environmental issues and support local artists while entertaining passers by. Some of the recent exhibitions include Nastia Gladuschenko's "Winter Feast" mural which transformed the space into a colourful 3D experience. Kevina-Jo Smith's "Feed on Greed" mixed media statement on plastic pollution. And the bee-autiful native bee artwork by the children of 3/4S at Katoomba Public School.

Jacqueline Forster

Marketing & Community Education Coordinator



TREASURERS REPORT

I present the Treasurer's report on the financial accounts for the year ended 30th June 2020.

From January to June 2020, the Co-op experienced changes to its regular trading patterns, staff rostering and retail operations due to the impact of the COVID-19 pandemic. In addition, the NSW bushfires also impacted the company in similar ways during the months of December 2019 and January 2020. Despite these significant events, the company's sales for the financial year increased by 4.1% to \$4,520,764, compared to a 1% increase in 2019. Cost of sales increased by 3.6% to \$2,968,094.

The company also received a \$100,000 grant from the Commonwealth Government Cash Flow Boost incentive, which is included in the final results for 2020. The profit for the company for 2020 is \$171,232, compared to \$21,401 in 2019. At year end the Co-op had \$1,055,516 in cash and term deposits, an increase of 18% on last year, and \$159,355 in inventory, and increase of 14%.

The Co-op remains in a sound financial position.

In summary, despite the overwhelming difficulties faced by so many in our community and country due to the bushfires and COVID, it has been another successful year for the Co-op. I'd like to acknowledge the expertise, effort and commitment of management and staff in working through these difficult times and producing such a positive result for the Co-op for 2020.

I commend the Accounts to the meeting.

Louise O'Halloran

Blue Mountains Food Co-op Treasurer



\$171,232

net surplus for 2019-
2020 financial year

FINANCIAL STATEMENT & AUDITORS REPORT 2019-20

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

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2020.

Directors

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

Georgia Page - Chairperson
Louise O'Halloran - Treasurer (appointed 14/11/2019)
Narelle Wilson
Sonya Byron - Secretary, Staff Representative
Rowan Druce (appointed 18/3/2020)

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 amounted to:

Year ended	Year ended
30 June 2020	30 June 2019
\$	\$
171,232	21,401

During the 2020 financial year ("20FY"), the company experienced changes to its regular trading patterns, staff rostering and retail operations due to the impact of the coronavirus ("COVID-19") pandemic. The impact of COVID-19 is unprecedented and has a profound impact on businesses both financially and operationally. The first confirmed case in Australia of COVID-19 was identified in January 2020 and resulted in induced lockdown in NSW in March 2020 due to public health orders.

In addition, the impact of the NSW bushfires also impacted regular trading patterns, staff rostering and retail operations during the months of December 2019 and January 2020.

Despite these significant events, the company's sales for the 20FY increased by 4% for the 20FY (19FY: increase 1%).

The company also received \$100,000 of Commonwealth Government support by way of Cash Flow Boost incentives of which is included in the operating result for the 20FY. Of this amount \$50,038 (\$50,000 relating to the second instalment) is due as receivable as at 30 June 2020.

Effective 18th September 2019, the company was requested to maintain the operation of the local Edible Garden Trail, Blue Mountains. This is a community not-for-profit event, organised by Blue Mountains Food Co-op, with proceeds going to participating school and community gardens. Included in the operating profit of the company for the 20FY is income of \$7,887 on acquisition of this project.

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.

The accompanying notes form part of these financial statements.

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

Directors' Report

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.

Dividends

The Co-op is a non trading co-operative which doesn't give returns or distributions on surplus to members.

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

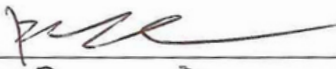
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

The accompanying notes form part of these financial statements.

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

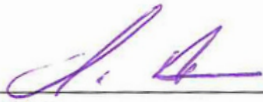
Directors' Report

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



Georgia Page
Director

Rowan Druce



Louise O'Halloran
Director

Dated:

The accompanying notes form part of these financial statements.

BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003
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 2020 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



Dated this 18 day of September 2020

Mt Riverview

The accompanying notes form part of these financial statements.

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

Independent Auditor's Report

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 2020, the Statement of Comprehensive Income, the Statement of Cash Flows 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 2020 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 Regulation (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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

Independent Auditor's Report

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

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

Responsibilities of the Directors for the Financial Report

The directors of the 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.

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.

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

Independent Auditor's Report

- 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 :

18/9/2020



William Tomiczek FIPA

Registered Company Auditor 1425

66 Emu Plains Rd Mt Riverview 2774

BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED ABN 44 541 435 003
Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash assets	3	1,055,516	890,690
Receivables	4	52,612	3,802
Inventories	5	159,355	138,574
Other financial assets		1,000	1,000
Other		13,388	11,523
Total Current Assets		1,281,872	1,045,589
Non-Current Assets			
Receivables	4	28,530	28,380
Property, plant and equipment	6	65,637	56,555
Intangible assets		7,539	7,539
Total Non-Current Assets		101,706	92,473
Total Assets		1,383,578	1,138,063
Liabilities			
Current Liabilities			
Payables	7	87,723	46,582
Current tax liabilities		25,772	25,651
Provisions	8	95,003	76,002
Other	9	43,918	42,807
Total Current Liabilities		252,415	191,043
Non-Current Liabilities			
Provisions	8	45,157	33,526
Total Non-Current Liabilities		45,157	33,526
Total Liabilities		297,572	224,569
Net Assets		1,086,005	913,494
Equity			
Retained profits		1,086,005	913,494
Total Equity		1,086,005	913,494

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 2020**

	2020 \$	2019 \$
Cash Flow From Operating Activities		
Receipts from customers	4,068,031	4,001,108
Payments to Suppliers and employees	(3,903,449)	(3,969,479)
Interest received	11,588	14,735
Net cash provided by operating activities (note 2)	176,170	46,363
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(19,231)	(24,650)
Net cash used in investing activities	(19,231)	(24,650)
Net increase in cash held	156,939	16,604
Cash on acquisition of the Edible Garden Trail	7,887	
Cash at the beginning of the year	890,690	874,086
Cash at the end of the year (note 1)	1,055,516	890,690

The accompanying notes form part of these financial statements.

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 2020**

	Note	2020 \$	2019 \$
Revenue	2	4,520,764	4,340,921
Other revenue	2	(215,487)	(325,601)
Cost of sales		(2,968,094)	(2,864,466)
Gross profit		1,337,183	1,150,854
Other income	2	5,267	2,593
Marketing		(3,735)	(730)
Selling expenses		(4,394)	(733)
Administration expenses		(1,163,089)	(1,130,582)
Profit before income tax		171,232	21,401
Income tax (credit) expense			
Profit for the year		171,232	21,401
Other comprehensive income:			
Items that will not be reclassified subsequently 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		171,232	21,401

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 2020**

	2020	2019
	\$	\$
Income		
Trading profit	1,552,670	1,476,455
Discounts to members	(444,846)	(439,377)
Events & workshops	21,649	
Interest received	11,588	14,735
Membership Fees	79,550	80,776
Other income	5,267	2,593
Subsidies received - grants		3,225
Subsidies received - COVID19 CFB	100,000	
Rent received	16,572	15,040
Total income	1,342,450	1,153,446
Expenses		
Accountancy	8,373	7,372
Advertising and promotion	3,735	730
Audit fees	6,741	5,905
Bad Debts	261	113
Bank Fees And Charges	23,567	24,362
Cleaning/rubbish removal	13,823	11,113
Consultants fees	4,394	733
Depreciation - other	14,605	16,091
Donations	7,915	2,378
Grant funding expenses	2,291	3,997
Light, Power & Heating	13,705	13,608
Fees & charges	3,353	2,013
General expenses	16,487	8,504
Computer	16,562	14,385
Insurance	19,493	14,729
Edible Garden trail expenses	13,087	
Legal fees	2,702	
Provision for Leave	29,397	18,716
Packaging	2,086	1,244
Printing & stationery	5,035	4,514
Rent on land & buildings	126,997	123,534
Repairs & maintenance	10,719	4,541

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 2020

	2020	2019
	\$	\$
Replacements (tools, etc)	6,618	6,889
Security	790	1,089
Staff amenities	4,174	7,334
Staff training	273	2,993
Superannuation	65,509	68,138
Telephone & Postage	3,015	3,135
Worker's Compensation Insurance	24,057	17,775
Wages	721,454	746,111
Total expenses	<u>1,171,218</u>	<u>1,132,045</u>
Profit from Ordinary Activities before income tax	<u>171,232</u>	<u>21,401</u>

The accompanying notes form part of these financial statements.

DRAFT MINUTES 2019 AGM

FOR APPROVAL BY MEMBERS AT THE 2020 AGM



2019 AGM Minutes

14th November 2019 at 7:00pm

Junction 142, 142 Katoomba St, Katoomba 2780

DIRECTORS PRESENT	Narelle Wilson, Kathryn Taylor, Rachel Hall, Georgia Page, Chris Dubrow, Helen Gillam
ABSENT	
APOLOGIES	Sonya Byron (Director)
STAFF ATTENDEES	Halin Nieuwenhuyse, Amy Tyson, Jacqueline Forster, Rebecca Tyson, Alison Garland, Lesley Sammon
OTHER SPECIAL ATTENDEES	Louise O'Halloran (nominee), David King (welcome)
MEMBER ATTENDEES	Ian Dudley-Bestow, Kay Ridgeway, Murray Hopkins
TOTAL MEMBERS ATTENDED	
HOUSEHOLD MEMBERS AND NON-MEMBERS	Belle Smith, Colin Gladys
MEMBER DECLARATION CARDS GIVEN OUT UPON SIGN IN	17



2019 AGM Minutes

14th November 2019 at 7:00pm
Junction 142, 142 Katoomba St, Katoomba 2780

1) Welcome to Country

Thank you David King

2) Value Statement

Thank you Georgia Page

'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.'

3) Discuss AGM purpose and format

Georgia summarised the ordinary business of the AGM and advised members that we can provide information about how to raise a motion or requisition a meeting with the Co-op

4) Introduction of current Directors

Thank you Georgia Page

5) Approval of November 2018 AGM Minutes

(Minutes circulated to room)

Motion that the 2018 AGM minutes be accepted

Moved by Rachel Hall

Seconded by Murray Hopkins

6) Summary of Chair's annual report

Motion that the chair's report be accepted

Moved by Ian Dudley Bestow

Seconded by Narelle Wilson

7) Present life membership to Georgia

Thank you Halin

8) Summary of Treasurer's annual report

Cautioned that the coming 2 years are a tough financial forecast. Wished the Co-op well in navigating that as a retailer.

Motion that the Treasurer's report be accepted

Moved by Kathryn Taylor



2019 AGM Minutes

14th November 2019 at 7:00pm

Junction 142, 142 Katoomba St, Katoomba 2780

Seconded by Lou O'Halloran

9) Summary of Manager's annual report

Motion that the Manager's report be accepted

Moved by Murray Hopkins

Seconded by Chris Dubrow

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

\$2377.90 (10% OF PROFIT FROM 2018-2019 FY)

Motion to accept the donations report and confirm the amount allocated to donations for the 2019-2020 financial year.

Moved by Helen Gillam

Seconded by David King

11) Resignation of Board Directors

Rachel Hall

Helen Gillam

Helen read a letter of resignation. She expressed that her resignation came as a result of the board's decision to sell meat. She feels it took the 'ethical gloss' from the organisation and that it would be dishonest of her to continue in her position on the board when she is in total opposition to the policy.

Sonya Byron (renominating)

Thank you so much Rachel and Helen. Gifts presented.

12) Introduction of the nominees for vacant Board positions for 2019

Louise O'Halloran

Sonya Byron

Declarations counted by returning officer (Amy)

Results:

Louise 17

Sonya 17

13) Appointment of Directors of the Board

Thank you Georgia



2019 AGM Minutes

14th November 2019 at 7:00pm
Junction 142, 142 Katoomba St, Katoomba 2780

Welcome and congratulations to Louise and Sonya

14) Announce and discuss the members meat survey results

Georgia announced the result of the members meat survey as 72% YES (in favour of the co-op selling meat) and 28% NO. The comments provided by members were considered alongside the numerical votes. She discussed the complexity of the process for the board coming to this decision and advised that the board is yet to write a policy on meat supply into the Co-op's strategic plan. This will involve the Co-op prioritising sourcing meat grown on regenerative farms.

(Georgia read prepared paper – appendix I)

15) Suggestions and questions put forward by members

- I. Belle Smith (Household member) asked how many people signed the petition on change.org against the Co-op selling meat. Amy Tyson (staff/member) offered that it was a few thousand and that the signees were internationally based. The data was unable to be cross referenced with the Co-op's database of members due to the format in which it was available.
- II. Belle Smith asked if people who maybe could not afford a membership (Wednesday shoppers) were offered a vote.
- III. Ian Dudley Bestow (member) - Profit went down the same amount that costs of payroll went up. Queried that the board has been distracted by the meat issue and perhaps dropped the ball on watching the financial situation. Halin Nieuwenhuyse (manager) addressed this suggesting it was not linked as the roster trial was discussed and implemented before the meat issue was raised. Narelle Wilson (director) offered that the financials were being closely reviewed monthly as per normal. Helen Gillam (resigned director [treasurer]/member) offered that the meat issue had consumed the board and it is a good thing that that decision is over.
- IV. David King (member) asked if we are applying the same approach that we applying to buying meat to the rest of the products in the co-op? Are all of those products regenerative also? Everything we take out of the land has an impact. Anything not native presents a problem. Narelle Wilson (director) replied that the criteria for suppliers (including meat suppliers) will be in the strategic plan.
- V. Rebecca Tyson (staff/member) Thanks to the board for making the decision so that the co-op can move forward.
- VI. Murray Hopkins (member) appreciates the complexity and appreciates that the board modelled reviewing that complexity with care.
- VII. Kaye Ridgeway (member) with the drought is there less produce coming in from local growers? Halin Nieuwenhuyse (manager) answered not really. Perhaps grain shortages soon. Narelle Wilson (director) said pineapple, strawberry and macadamia farms have been effected by bushfire.
- VIII. Lesley Sammon (staff/member) In Australia the soil is designed for its native animals. Hard hoofed animals may not necessarily be regenerative of the native soil. Feral animals could be considered for culling and eating. Narelle Wilson (director) knew of a farming area where feral animal (like goats) are culled and could be used for eating.
- IX. Kaye Ridgeway (member) concerned about packaging effecting the meat and also the disposable nature of the packaging.



2019 AGM Minutes

14th November 2019 at 7:00pm

Junction 142, 142 Katoomba St, Katoomba 2780

X. David King (member) concerned about wastage if meat doesn't sell.

16) Thank you and close

Meeting closed at 8:30pm

DRAFT



2019 AGM Minutes

14th November 2019 at 7:00pm

Junction 142, 142 Katoomba St, Katoomba 2780

Appendix 1

MEAT AT THE CO-OP

For the last 20 years members have been asking the Co-op to sell meat and the question has never been resolved.

The board initially decided to look at this question in response to a consistent line of questioning coming from our membership about when/if we will sell meat. Like the question about whether or when we might move, it's been a frequently recurring query.

Single most complex decision that the board has had to navigate in the 10 years I have been a director.

The decision-making process has taken a significant amount of time because of the board's desire to address this question methodically, to consult with members and come to a grounded decision.

The survey result was 72% in favour and 28% against the Co-op selling meat. The comments many members provided were all collated and considered alongside the numerical vote. We will make the survey results, including anonymous comments, available on the website from tomorrow.

SHOW TABLES SHOWING COLLATION OF COMMENTS/CONCERNS

Following the membership survey, the board met to discuss the results and come to a conclusion prior to the AGM.

Although the membership survey returned a significant majority in favour of the Co-op selling meat, directors were still torn about how to finalise this decision with the biggest concern in making the decision to go ahead with selling meat for most (not all) directors was environmental impact of meat production.

After much discussion, in which we each shared our personal point of view, one of our directors questioned whether we would still be debating the issue if the survey had returned the opposite result and a substantial majority for the no vote. And we would not.

To proceed, we articulated the criteria we were using to make the decision, identified the stakeholders in the decision, and reiterated our responsibilities as directors of a member's co-op.

Voting as an individual and director does require that we apply a slightly different set of criteria. As a director of a member's co-op, it is our responsibility that we endeavour to best represent our members and act in the best interests of the Co-op and our stakeholders – our members, the co-operative business, and the environment.



2019 AGM Minutes

14th November 2019 at 7:00pm

Junction 142, 142 Katoomba St, Katoomba 2780

The board's decision was not unanimous but was carried with a majority that we are comfortable proceeding with. It may be of interest to members that the split of the board vote was similar to that of the membership, and that the yes/no vote was not split clearly among those directors who do and don't choose to eat meat. It truly was a complex question for each of us to wrestle with.

In light of the members' vote, the board has decided that the Co-op will sell meat but only meat that has been raised using regenerative farming practices. We would like to support small scale farmers who demonstrate a commitment to building soil biodiversity, water holding capacity and sequestering carbon.

We are confident that meat grown using regenerative practices is the best way to meet our members' needs and satisfy our responsibility for the impact of our behaviour on the environment.

Biodynamic farming is by its very nature regenerative farming but not all organic farming is necessarily regenerative. In this situation, we will prioritise regenerative farming practises over organic certification.

Whilst we support the move towards eating less meat and eating a more plant rich diet, we also recognise (as our members have demonstrated through their votes) that people are going to continue to eat meat for a variety of reasons. And we'd like to be able to offer a more responsibly sourced product than is currently available in local supermarkets and butchers. The when and how of this are yet to be determined but given the drought in NSW, it is not necessarily something that will be happening in the short term.

BLUE MOUNTAINS FOOD CO-OP

EST. 1981

