

BLUE MOUNTAINS FOOD CO-OP

— EST. 1981 —

ANNUAL REPORT 2023



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BLUE MOUNTAINS FOOD CO-OP

— EST. 1981 —

Blue Mountains Food Cooperative Ltd

ABN 44 541 435 003

Darug & Gundungurra Country

Shops 1 & 2 Ha'Penny Lane Katoomba | PO Box 305 Katoomba NSW 2780

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2023 Annual Report prepared by

Jacqueline Forster, Blue Mountains Food Co-op, Marketing & Community Education Coordinator

Cover photo: Maja Baska. Other photos: Maja Baska, Rosie Shepherd, and supplied.



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MISSION STATEMENT

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.

Our mission is to provide high quality food and eco-friendly products in an inclusive and welcoming shopping environment, and to support and inspire members, and the local community, to make healthy, sustainable living choices.

DIRECTORS



Susan Ambler, Chair



Sarah Ladyman, Treasurer



Elmira Forrest, Secretary



Tse-Min Hung

For more information about our [Board of Directors](#), and to view past [Annual Reports](#) visit bmfoodcoop.org.au



A MESSAGE FROM THE CHAIR

The Chair submits this report for the 2023 Annual General Meeting (AGM) of the Blue Mountains Food Cooperative Ltd (BMFC). The Directors also submit the Treasurer's Financial Report and the Auditor's Report for the financial year ending March 31, 2023.

Well, it's been quite a nine months since the current directors took office but only six of those months are part of the 2022/23 financial year so I'll try to restrict myself to updates on that period.

I think that I need to start rather than end this report with many thank yous because the Co-op would be in a much more difficult state without the input and support of so many people.

I'd like to start with a thank you to my fellow directors, Cecilia Hung, Elmira Forrest, and Sarah Ladyman, and to those who stepped up in September but had to step back down due to life and family commitments at the end of the year. I'd also like to thank all the staff and volunteers who keep the day-to-day life of the Co-op functioning and fabulous. Many staff have worked over and above their positions, as always, stepping up to new roles with enthusiasm, and offering helpful ideas and suggestions for dealing with the financial circumstances we have found ourselves in.

All of you, our members and shoppers, are of course completely indispensable and we really appreciate those who rallied around at various times recently when there has been a call out for input, help, opinions, board members, more shopping, and telling your friends to join or re-join. We are still finding that membership numbers are lower than they have been in recent years so don't forget to renew and do keep encouraging new members to join and old members to re-join.

There are some staff who have left during this period that I would like to mention including Rebecca Norton, a very long-term staff member, Amy Tyson, Maeve Dunnett, and Bec Gonthier, who all leave a gap in our ranks and a legacy of dedication to the Co-op.

I would also particularly like to thank Elmira Forrest and Sarah Ladyman for their preparedness to take up the always important and hard to fill role of manager/go-to person and for keeping an eye on all the balls in the air.

Although it is outside of the six months in question, I would like to mention our appreciation of the new board members Leanne, Leonie, and Liz, who put their hands up to be co-opted to the board in July. Your preparedness to jump in to help out is really appreciated by the current board members, and by the Co-op.

The Treasurer will fill you in on financial details but it would be remiss of me to pretend that the Co-op's financial woes haven't been a major issue over the last financial year. We did go through a period of very substantial losses due to many factors including the economic downturn, high cost of rent, utilities, and products, but we are pleased to report that we are currently close to breaking even and have made a slight profit in some months of the current financial year.

"We did go through a period of very substantial losses... but we are pleased to report that we are currently close to breaking even and have made a slight profit in some months of the current financial year."

Another major issue the Co-op has been involved in is the question of whether and where to move the business in the face of immovable above-market rental on our main shop. The idea for the move came out of a staff meeting and has been workshopped by the board and staff, with help from members. We have continued to work together, at combined board and staff meetings, and also at a shared values day that we held early in the life of the new board. We are also working towards re-negotiating a new EBA that will support both the Co-op and all staff going forward. We hope to be close to decisions in both these major areas very soon.

Over the period of the last financial year there have been many external and internal changes at the Co-op. Amy Tyson, who stepped into the breach when long-term Manager Halin left, has also moved on to new and different roles elsewhere. We greatly appreciate all your hard work Amy, and we hope that your new endeavours are fulfilling and fabulous. We were also very pleased to welcome back our Marketing and Education Coordinator, Jacqueline Forster, who keeps the Co-op's profile high and organises many great events and occasions for us. Welcome back Jacq.

As mentioned, other staff members, both long term and not so long term, have also left us for a quieter life, and/or greener pastures. We hope that their creative, family, business, and study plans are unfolding apace. Some staff are also working with us a little less as they move into new careers such as our Volunteer Coordinator, Bec Tyson, who is now also working as a primary school teacher.

We would like to thank both Tia and Calem for stepping up into new roles, and welcome Administration Manager, Sharon, and People & Culture Coordinator, Claire, who have filled extremely necessary positions to keep the Co-op functioning well. We also greatly appreciate the support from volunteer HR advisor Wendy Evans. We continue to value and make use of our relationship with The Co-op Federation (NSW) and would like to thank Sam Byrne from the Federation for all his help.

We thank all staff for continuing to put your passion and hard work into keeping the Co-op alive as a vital local community resource of sustainable, good, local food and products that don't cost the earth. Your dedication is appreciated by all.

As a board, we have been making a concerted effort to communicate with members as effectively and efficiently as possible. I know we've been far from perfect but we have been doing our best in the spirit of the faith you have put in us and the Co-op.

Some of the other exciting news from this year includes our increasing focus on local products and producers. This includes the continuation of our Co-op market garden connection with Farm it Forward. The garden produces extremely local vegetables for sale in the shop and our volunteers are able to work there too. Our Edible Garden Trail was again well patronised and enjoyed by all, as was our Leura Harvest Festival stall. We've also begun a closer relationship with Lyttleton Stores Co-op in Lawson which will enhance both our organisations.

Recent times have been hard for the Co-op but tough times show us why the Co-op is so needed in the retail and community landscape of our Blue Mountains. Now is a time to focus on health and sustainability, as we do at the Co-op, by looking after our members, staff, volunteers, and our local community.

Thank you again to all.

SUSAN AMBLER

Blue Mountains Food Co-op, Board Chair

BOARD OF DIRECTORS MEETING ATTENDANCE

The Directors of the Co-op and the meetings they attended for the 2022-2023 Financial Year were as follows:

Name of Director	Position	Start & End of Term	Meetings Held	Meetings Attended
Ambler, Susan	Chairperson	Elected 10/9/22	6	6
Ladyman, Sarah	Treasurer	Elected 10/9/22	6	5
Forrest, Elmira	Secretary	Elected 10/9/22	6	6
Hung, Tse-Min	Director	Elected 10/9/22	6	5
Novello, Simone	Director	Elected 10/9/22 Resigned 8/2/23	5	5
Clifford, Rowan	Director	Elected 10/9/22 Resigned 8/2/23	5	5
Kim, Aaron	Director	Elected 10/9/22 Resigned 8/2/23	5	5







Scan to find us

PRODUCE & PANTRY

Locally grown & organic fruit and veg, honey, bulk wholefoods, gluten-free & vegan products, artisan-made bread & deli items.

HEARTH & HOME

Eco-friendly cleaning & personal care supplies, organic seeds, fair trade chocolate, local & handmade ceramics, textiles, soap, & candles.

COMMUNITY OWNED NOT-FOR-PROFIT



TREASURER'S FINANCIAL REPORT

The last financial year has been another eventful year for the Co-op. Overall the Co-op made a loss of \$154k, due to a decrease in sales and increase in expenses. However, we've still sold \$3.517m worth of food to the community which is a lot of apples and pumpkins!

What's been happening in the shop

Our Market Garden started this year, and so far we've grown 1,549 bunches of vegetables which were picked and promptly marched down the hill from the garden (situated next to the Carrington), including 512 bunches of kale, 313 kohlrabi, and 302 bunches of parsley.

People continue to travel far and wide for our fresh peanut butter and local honey, selling \$59,000 of honey from Rylstone.

Our local produce continues to be popular, as we work with more local growers to provide a wide range of fresh seasonal fruit and veg, including 125 punnets of blackberries, 425 bunches of radishes, and 52 bunches of local flowers.

We sold 386 ceramics made by two local ceramic artists, 3,200 packets of organic seeds, and the Nimbin Taper candle continued to be our most popular item in the Little Shop with 3,856 individual candles purchased.

In 2022/23 we sold 186,533 eggs, by far our most popular product. That's 3,587 poached eggs on toast every week!

Financials

Sales

Sales have dropped from \$3.821m in the financial year ending March 2022 (FY 22) to \$3.517m for the period April 2022 - March 2023 (FY 23). As such, the gross profit (after cost of goods sold) has dropped from \$1.020m to \$971k.

Expenses

Total expenses were \$1.237m, up from \$1.182m in FY 22. The increase in other operational expenses (\$327k in FY 22, \$383k in FY 23) is due to increases in rent (fixed 4% annual increase for all three leases: \$120k in FY 23), expenses like electricity (\$14k in FY 22, \$21k in FY 23) and insurance (\$23k in FY 22, \$25k in FY 23).

Wages

The Co-op's Enterprise Bargaining Agreement is benchmarked on the General Retail Award. The Government has made increases each year since 2021 to the minimum wage and award wages, which have impacted the Co-op by increasing wages 7.35% since 2021. The Government has also made a further increase of 5.75% in July 2023 which impacts the coming financial year, however it is not relevant here as it affects the period after this report.

Total yearly wages have remained steady, at \$864k in FY 21, \$854k in FY 22 and \$853k in FY 23. However, the Co-op has made significant rostering adjustments. Without these changes total wages for this year would have been \$74k higher (approx. \$927k). The staff team have been continually trimming excess hours on the roster and making adjustments to ensure the Co-op is able to be fully operational while also reducing hours as sales decrease.

As mentioned in the Chair's report above, the Enterprise Bargaining Agreement is still under negotiation with staff. It is intended that this will be agreed soon and result in a fair readjustment of wages and benefits for both the Co-op and the staff team.

Overall Profit and Loss

The result of the increase in expenses, and the drop in sales (and therefore gross profit) is a loss of \$154k for this financial year. Expenses have gone up, sales have gone down and the result is that the Co-op didn't have enough revenue to pay for the increased expenses.

Cash reserves

The Co-op started the financial year with \$1.009m in the bank, and ended the year with \$880k. This reduction of \$130k is due to the continual losses. Note that the Co-op uses an accrual rather than cash based accounting system, which is why there is a difference of \$24k compared to the actual Loss amount.

Actions

Continual actions are being taken to rectify the financial situation of the Co-op. These include; trimming the roster to reduce wages; adjusting price margins to increase the gross profit in order to cover operating expenses; reducing spending on expenses where possible; renegotiating the terms of the EBA; and considering options for relocation to reduce rent expenses.

This is a time of significant change for the Co-op, as important adjustments are made to adapt to the economic climate, however over the last 40 years the Co-op community has proved itself to be incredibly resilient in the face of challenges and changes. I am optimistic that the strong and dedicated community of the Co-op will again see the organisation emerge flourishing to provide good food that doesn't cost the earth for the next 40 years and beyond.

SARAH LADYMAN

Blue Mountains Food Co-op, Treasurer



VOLUNTEER REPORT

Hello Co-op members and especially our Volunteers!

2022-23 has been another fabulous year for the Co-op's volunteers. Here's some standout stats:

- 41 new volunteers were trained.
- There were 175 active volunteers during 2022-2023.
- The total volunteer hours in the shop were roughly 1290, an average of 107 hours per month.
- Our Xmas Volunteer Incentive Month 2022 was a great success with volunteers completing 158 hours in the shop and a whopping total volunteering hours of 252!
- The absolute total hours of volunteering for the financial year (including gardening, cleaning bees, staff volunteering, and various other duties) was 2,699 hours, an average of 225 hours per month.



I want to send out a sincere thank you to our members who volunteer, your dedication to the Co-op is very much appreciated.

Special thanks also to our staff members who volunteer a lot; and of course our voluntary Directors who are so dedicated to the Co-op.

We are amazing! Our Co-op is amazing!

BEC TYSON

Blue Mountains Food Co-op, Volunteer Coordinator

DONATIONS REPORT

A donations budget amount of \$6434.68 was carried forward from the 2021-22 financial year to 2022-2023.

Of that, \$2,225 was allocated to the following beneficiaries:

- Blue Mountains Refugee Support Group \$75
- Varuna Writers House \$550
- Katoomba North Public School Breakfast Club \$200
- Aboriginal Culture and Resource Centre \$500
- Blue Mountains Steiner School Edible Garden Trail grant \$150
- Kindlehill School Edible Garden Trail Grant \$150
- Mid Mountains Community Garden Edible Garden Trail Grant \$150
- Springwood Community Garden Edible Garden Trail Grant \$150
- Lawson Public School Edible Garden Trail Grant \$150
- Euroka Childrens Centre Edible Garden Trail Grant \$150



"Alone we can do so
little; together we can
do so much"

Helen Keller

Donations Box

Your kind donations collected from the Donations Box in the shop totalled \$402.40. This was donated to Givit to assist flood victims in NSW & Queensland.



MARKETING & COMMUNITY EDUCATION REPORT

Food From the Soil Up

Last financial year the Co-op focussed time and energy on growing our own hyperlocal produce and encouraging others to do likewise.

Market garden launch

In July 2022, our very own market garden was created in collaboration with Farm it Forward. A large group of dedicated and enthusiastic volunteers braved wintry weather to convert the unused plot in College Lane (behind the Cultural Centre) generously loaned to the Co-op for food growing by owner John Lekkas.

Once established, it wasn't long before farmer, Hannah Axelsen, and her legion of devoted volunteers, began supplying the Co-op with leafy greens, lettuce, cabbage, cauliflowers and herbs. Workshops and school excursions are scheduled in the future.

Branding

In 2022 we launched the first of our branded products, a herbal tea range blended by herbalist and Co-op staffer, Chris Ireland. The five varieties include: Cleanse, Stress Less, Digest-Tea, Vitali-tea, and Immuni-tea.

Other products to be Co-op branded include honey, peanut and almond butters, and olive oil.



Edible Garden Trail

The much-anticipated return of the Edible Garden Trail in October 2022 sparked renewed interest in backyard farming and attracted a large contingency of edible gardening fans. Over 40 gardens participated in the weekend long event and we thank the gardeners for their community spirit, time and energy.

As spring is not the optimal time to hold the Trail in the mountains we will revert back to late summer/early autumn and hold the next Edible Garden Trail in March 2024.



Growers Meet-up

A local grower's get-together in March this year launched another collaboration, this time with Lyttleton Stores Co-op, for a series of Meet Your Local Farmer events. Aimed at supporting a localised food system to help growers thrive, and establish a Blue Mountains regional food identity, events are scheduled throughout 2023.



Instagram

3410 followers

Facebook

4800 followers

JACQUELINE FORSTER

*Blue Mountains Food Co-op, Marketing
& Community Education Coordinator*

FINANCIAL STATEMENTS & AUDITORS REPORT 2022 -2023

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

Financial Statements
For the year ended 31 March 2023

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Directors' Report

Your directors present this report on the company for the financial year ended 31 March 2023.

Directors

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

Susan Ambler appointed 10/09/2022
 Sarah Ladyman appointed 10/09/2022
 Elmira Forrest appointed 10/09/2022
 Tse-Min Hung appointed 10/09/2022
 Rowan Clifford appointed 10/09/2022 Resigned 8/02/2023
 Aaron Kim appointed 10/09/2022 Resigned 8/02/2023
 Simone Novello appointed 10/09/2022 Resigned 8/02/2023

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

Operating Result

The loss of the company for the financial year after providing for income tax amounted to:

Year ended	Year ended
31 March 2023	31 March 2022
\$	\$
(154,056)	(56,341)

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.

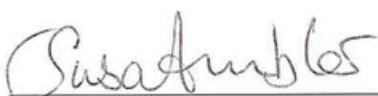
Proceedings on Behalf of Company

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.

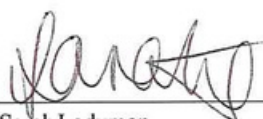
Auditors Independence Declaration

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:



Susan Ambler
Director



Sarah Ladyman
Director

Dated: 30 May, 2023

The accompanying notes form part of these financial statements.

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 31 March 2023 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



30/05/2023

Mt Riverview

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 31 March 2023

	Note	2023 \$	2022 \$
Revenue	<u>2</u>	3,919,477	4,264,200
Other revenue	<u>2</u>	(289,923)	(338,511)
Cost of sales		<u>(2,546,560)</u>	<u>(2,800,188)</u>
Gross profit		1,082,993	1,125,500
Other income	<u>2</u>	340	779
Marketing		(30,343)	(5,713)
Selling expenses		(682)	(9,117)
Administration expenses		<u>(1,206,365)</u>	<u>(1,167,791)</u>
Profit (deficit) before income tax		(154,056)	(56,341)
Income tax (credit) expense		<u>0</u>	<u>0</u>
Profit (deficit) for the year		<u>(154,056)</u>	<u>(56,341)</u>
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		<u>0</u>	<u>0</u>
Total comprehensive income for the year		<u>(154,056)</u>	<u>(56,341)</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 31 March 2023

	Note	2023 \$	2022 \$
Assets			
Current Assets			
Cash assets	4	880,955	1,009,910
Receivables	5	1,015	1,279
Inventories	6	174,749	174,691
Other financial assets	7	1,000	1,000
Current tax assets	8	242	1,304
Other	9	28,981	29,108
Total Current Assets		1,086,941	1,217,292
Non-Current Assets			
Receivables	5	28,530	28,530
Property, plant and equipment	10	73,732	77,065
Intangible assets	11	1,110	1,849
Total Non-Current Assets		103,373	107,445
Total Assets		1,190,314	1,324,737
Liabilities			
Current Liabilities			
Payables	12	85,964	54,928
Current tax liabilities	13	33,214	29,350
Provisions	14	32,612	43,709
Other	15	32,206	32,950
Total Current Liabilities		183,997	160,937
Non-Current Liabilities			
Provisions	14	37,427	39,613
Total Non-Current Liabilities		37,427	39,613
Total Liabilities		221,424	200,550
Net Assets		968,890	1,124,186
Equity			
Retained profits		416,785	570,841
Other		552,105	553,345

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 31 March 2023

	Note	2023 \$	2022 \$
Total Equity		<u>968,890</u>	<u>1,124,186</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2023

	2023 \$	2022 \$
Cash Flow From Operating Activities		
Receipts from customers	3,621,451	3,923,853
Payments to Suppliers and employees	(3,744,107)	(4,009,521)
Interest received	7,985	2,479
Net cash provided by (used in) operating activities (note 2)	<u>(114,671)</u>	<u>(83,188)</u>
Purchase Plant & Equipment	(14,285)	(27,348)
Net increase (decrease) in cash held	(128,956)	(110,536)
Cash at the beginning of the year	<u>1,009,910</u>	<u>1,120,446</u>
Cash at the end of the year (note 1)	<u><u>880,955</u></u>	<u><u>1,009,910</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2023

2023

2022

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:

Paypal	295	6,769
Bank Australia term deposit	0	210,694
Bendigo - Main Account	235,155	212,496
Bendigo - EGT debit card	1,626	4,725
Bank Australia Commercial Saver	641,879	573,164
Interest Accrued	0	61
Cash on hand	2,000	2,000
	<u>880,955</u>	<u>1,009,910</u>

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

Operating profit after income tax	(154,056)	(56,341)
Depreciation	18,357	12,091
Amortisation	739	1,233
Increase/(decrease) in provision for donations	(2,419)	(2,959)
(Profit) / Loss on sale of property, plant and equipment	(340)	(779)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	264	1,007
(Increase) decrease in finished goods	(58)	6,999
(Increase) decrease in prepayments	128	(1,267)
Increase (decrease) in trade creditors and accruals	2,271	(9,485)
Increase (decrease) in other creditors	28,022	(7,364)
Increase (decrease) in employee entitlements	(10,864)	(68,602)
Increase (decrease) in sundry provisions	4,926	(12,009)
Net cash provided by (used in) operating activities	<u>(113,031)</u>	<u>(137,475)</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 March 2023

Note 1: Summary of Significant Accounting Policies

BLUE MOUNTAINS FOOD CO-OPERATIVE LIMITED is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 May, 2023 by the directors of the company.

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 dependent 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 not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations, and the disclosure requirements that are mandatory under the 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 accrual 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) Fair Value of Assets

The company measures some of its assets at fair value. Fair value is the price the company would receive to sell an asset in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(b) 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.

Notes to the Financial Statements

For the year ended 31 March 2023

(c) 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 and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. An assessment of recoverable amount is made when impairment indicators are present.

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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.

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.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

Notes to the Financial Statements
For the year ended 31 March 2023

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies
- held for trading or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term
- part of a portfolio where there is an actual pattern of short-term profit taking or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost
- fair value through other comprehensive income or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows and
-

Notes to the Financial Statements
For the year ended 31 March 2023

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company makes an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company’s accounting policy.

Notes to the Financial Statements
For the year ended 31 March 2023

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred
- all risk and rewards of ownership of the asset have been substantially transferred and
- the company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the company elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income
- lease receivables
- contract assets (e.g. amount due from customers under contracts)
- loan commitments that are not measured at fair value through profit or loss and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Notes to the Financial Statements
For the year ended 31 March 2023

The company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit-impaired approach and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses and
- if there has been no significant increase in credit risk since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to ***Please enter number of months***-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower
- a breach of contract (e.g. default or past due event)
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of ***Please enter number of months***-month expected credit loss.

Notes to the Financial Statements
For the year ended 31 March 2023

In order to make such a determination that the financial asset has low credit risk, the company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

Notes to the Financial Statements
For the year ended 31 March 2023

(f) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) 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.

(h) Revenue and Other Income

Revenue generated by the Company is categorised into the following reportable segments:

– sale of goods: customer loyalty programme.

Other revenue

Interest income is recognised using the effective interest method.

(i) 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.

Notes to the Financial Statements

For the year ended 31 March 2023

(j) 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 that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
Note 2: Revenue and Other Income		
Sales revenue:		
Non-primary production trading revenue	3,919,477	4,264,200
	3,919,477	4,264,200
Other revenue:		
Interest revenue	7,985	2,479
Discounts to members	(401,598)	(443,118)
Membership Fees	75,503	78,782
Edible Garden Trail Income	11,739	4,531
Grant Funding	0	2,400
Rent received	16,447	16,413
	(289,923)	(338,511)
Other income:		
Other income	340	779
	340	779
Note 3: Profit from Ordinary Activities		
Profit(loss) from ordinary activities before income tax has been determined after:		
Charging as Expense:		
Amortisation of non-current assets:		
- Other intangibles	739	1,233
Total amortisation expenses	739	1,233
Bad and doubtful debts	381	363
Cost of non-primary production goods traded	2,546,560	2,800,188
Depreciation of non-current assets:		
- Other	18,357	12,091
Total depreciation expenses	18,357	12,091
	0	0

Notes to the Financial Statements
For the year ended 31 March 2023

	2023	2022
Note 4: Cash assets		
Bank accounts:		
Paypal	295	6,769
Bank Australia term deposit	0	210,694
Bendigo - Main Account	235,155	212,496
Bendigo - EGT debit card	1,626	4,725
Bank Australia Commercial Saver	641,879	573,164
Interest Accrued	0	61
Other cash items:		
Cash on hand	2,000	2,000
	<u>880,955</u>	<u>1,009,910</u>
Note 5: Receivables		
Current		
Trade debtors	1,015	1,279
	<u>1,015</u>	<u>1,279</u>
Non-Current		
Security Bonds	28,530	28,530
	<u>28,530</u>	<u>28,530</u>
Note 6: Inventories		
Current		
Raw materials and stores at net realisable value	174,749	174,691
	<u>174,749</u>	<u>174,691</u>

Notes to the Financial Statements

For the year ended 31 March 2023

2023

2022

Note 7: Other Financial Assets**Current**

Shares in other corporations - at cost:

- Listed on a prescribed stock exchange

1,000	1,000
1,000	1,000
1,000	1,000

Note 8: Tax Assets**Current**

GST payable control account

242	1,304
242	1,304

Note 9: Other Assets**Current**

Prepayments

28,981	29,108
28,981	29,108

Note 10: Property, Plant and Equipment

Plant and equipment:

- At cost

- Less: Accumulated depreciation

411,088	396,803
(337,356)	(319,738)
73,732	77,065
73,732	77,065

Notes to the Financial Statements
For the year ended 31 March 2023

2023

2022

Note 11: Intangible Assets

Other intangibles:

- Computer Software	16,451	16,451
- Less: Accumulated amortisation	(15,341)	(14,602)
	1,110	1,849
	1,110	1,849

Note 12: Payables

Unsecured:

- Trade creditors	49,498	47,228
- Other creditors	36,466	7,700
	85,964	54,928
	85,964	54,928

Note 13: Tax Liabilities**Current**

ABN withholding tax	2,218	2,218
Superannuation payable	21,860	19,756
Amounts withheld from salary and wages	9,136	7,376
	33,214	29,350

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
Note 14: Provisions		
Current		
Donations	6,573	8,992
Employee entitlements*	26,039	34,717
	<u>32,612</u>	<u>43,709</u>
Non Current		
Employee entitlements*	37,427	39,613
	<u>37,427</u>	<u>39,613</u>
* Aggregate employee entitlements liability	63,467	74,330

Note 15: Other Liabilities

Current

Advance payments Membership Income	32,206	32,950
	<u>32,206</u>	<u>32,950</u>

Note 16: Related Parties

Narelle Wilson Bookkeeping Services to 10/09/22
\$ 3,880.97

Elmira Forest employee \$ 27,802.48

Sarah Ladyman employee \$ 11,125.37

Transactions with related parties:

Transactions with other related parties:

Notes to the Financial Statements
For the year ended 31 March 2023

	2023	2022
Percentage of equity interest held in other related parties, either directly or indirectly: [ENTERDETAILS]	0	0
Other benefits derived: -[ENTERDETAILSOFTYPE, TERMS AND CONDITIONS]	0	0
Director-Related Entities		
Transactions with director-related entities: -[ENTERDETAILSOFAGGREGATE TRANSACTION]	0	0
Individually Material Transactions: -[ENTERDETAILSOFTHEINDIVIDUAL TRANSACTION]	0	0
The determination of operating profit (loss) before income tax included the following items, which resulted from transactions with director-related entities: -[ENTERDETAILS] -[ENTERDETAILS] -[ENTERDETAILS] -[ENTERDETAILS]	0 0 0 0	0 0 0 0
Aggregate amounts of debts, other than trade debts, that are receivable from and payable to director-related entities: -Current[ENTERDETAILS] -Non-current[ENTERDETAILS]	0 0	0 0
Aggregate amounts receivable from and payable to director-related entities: -Current[ENTERDETAILS] -Non-current[ENTERDETAILS]	0 0	0 0
Percentage of equity interest held in director-related entities, either directly or indirectly: [ENTERDETAILS]	0	0
Other benefits derived: -[ENTERDETAILSOFTYPE, TERMS AND CONDITIONS]	0	0
Directors		
Transactions with directors: -[ENTERDETAILSOFAGGREGATE TRANSACTION]	0	0

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
Individually Material Transactions:		
-[ENTERDETAILSOF THEINDIVIDUAL TRANSACTION]	0	0
The determination of operating profit (loss) before income tax included the following items, which resulted from transactions with directors:		
-[ENTERDETAILS]	0	0
-[ENTERDETAILS]	0	0
-[ENTERDETAILS]	0	0
-[ENTERDETAILS]	0	0
Aggregate amounts of debts, other than trade debts, that are receivable from and payable to directors:		
-Current[ENTERDETAILS]	0	0
-Non-current[ENTERDETAILS]	0	0
Aggregate amounts receivable from and payable to directors:		
-Current[ENTERDETAILS]	0	0
-Non-current[ENTERDETAILS]	0	0
Percentage of equity interest held by directors, either directly or indirectly:		
[ENTERDETAILS]	0	0
Other benefits derived:		
-[ENTERDETAILSOF TYPE, TERMSAND CONDITIONS]	0	0

Identification of Related Parties

[ENTERDETAILSOF THERELATEDPARTIES]

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:

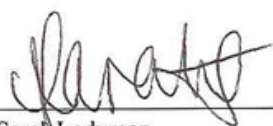
1. the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
 - (b) give a true and fair view of the company's financial position as at 31 March 2023 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.



Susan Ambler

Director



Sarah Ladyman

Director

Dated: 30 May 2023

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 31 March 2023, the Statement of Comprehensive Income, the Statement of Changes In Equity and 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, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2023 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.

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 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

Independent Auditor's 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.

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 30 May, 2023:

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

Trading Account
For the year ended 31 March 2023

	2023 \$	2022 \$
Trading Income		
Sales	3,919,477	4,264,200
Total Trading Income	<u>3,919,477</u>	<u>4,264,200</u>
Cost of Sales		
Add:		
Cost of sales	2,546,560	2,800,188
	<u>2,546,560</u>	<u>2,800,188</u>
Cost of Sales	2,546,560	2,800,188
Gross Profit from Trading	<u><u>1,372,917</u></u>	<u><u>1,464,012</u></u>

The accompanying notes form part of these financial statements.

Profit and Loss Statement
For the year ended 31 March 2023

	2023 \$	2022 \$
Operating profit (deficit) before income tax	(154,056)	(56,341)
Income tax (credit) attributable to operating profit (loss)	0	0
Operating profit (deficit) after income tax	(154,056)	(56,341)
Retained profits at the beginning of the financial year	570,841	627,182
Total available for appropriation	416,785	570,841
Retained profits at the end of the financial year	416,785	570,841

2022 DRAFT ANNUAL GENERAL MEETING MINUTES FOR APPROVAL

**FOR APPROVAL BY MEMBERS AT THE 2023
ANNUAL GENERAL MEETING**



2022 AGM Minutes
Saturday 10 September 3:00 pm
Katoomba/Leura Community Hall Katoomba NSW 2780

1. <u>Housekeeping</u> Meeting Chair: Georgia Page Apologies: Attendees: Please see attendance spreadsheet for 2022 AGM Zoom attendees: Please see attendance spreadsheet for 2022 AGM
2. <u>Welcome to Country</u> Thank you, Georgia Page
3. <u>Values Statement</u> 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 a quality 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. <u>AGM purpose and format</u> Georgia summarised the ordinary purpose of the AGM and this year's priority of nominating a new board.
5. <u>Motion to Change Date of the AGM:</u> Hal Ginges (Board Nominee) raised that proxy voting was not made available to members who could not attend the AGM and that in his opinion the date should be changed to accommodate members who want to vote by proxy. Motion moved to a vote by Georgia. Motion not passed. AGM to continue as planned. Georgia suggests that new board looks at clarity of language in the Co op rules.
6. <u>Introduction of current Directors</u> Narelle Wilson, Georgia Page, Luke Reeves, Peter Perry, Rowan Druce, Alex Walker.
7. <u>Approval of 2021 AGM Minutes</u> Motion that the 2021 AGM Minutes be accepted. Moved by Jane Hills. Seconded by Nancy Oosterhoff
8. <u>A note from the Chair</u>



2022 AGM Minutes
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<p>Chair's report available in the annual report. Georgia Page notes that there have been two significant changes since the report was published:</p> <ol style="list-style-type: none">1. The Store Manager position is currently vacant.2. Resignation of the Co-op Board.
<p>9. <u>Manager's Report</u></p> <p>Manager's report available in the annual report. Thank you, Amy Tyson.</p>
<p>10. <u>Treasurer's Report</u></p> <p>Peter notes that the previous financial year was only 9 months. Thank you, Peter Perry.</p>
<p>11. <u>Donations report and advise donations budget for 2020-2021</u></p> <p>\$6532.28 to be carried on from 2021 Financial Year. Donations were paused for the 2022 financial year while planning on a more targeted donation approach was developed. Thank you, Georgia Page.</p>
<p>12. <u>Introduction of the nominees for vacant Board positions for 2022</u></p> <p>Susan Ambler Jane Hill Sarah Ladyman (Attending via zoom) Aaron Kim Elmira Forrest Michael De-Campo Hal Ginges Gordon Elkington Cecilia Hung Rebecca Tyson Rowan Clifford Simone Novello Victor Barris Karen Henshell Richard Jordan</p>
<p>13. <u>Members questions to board nominees</u></p> <p>Unknown member motions that Michael De Campo be ejected from the meeting due to conflict. Motion not passed by members.</p> <p>Unknown member motions that the member forum be skipped, and members go to an immediate vote. Motion passed by members (show of hands).</p>
<p>14. <u>Members vote via ballot paper for 7 new board positions.</u></p>



2022 AGM Minutes
Saturday 10 September 3:00 pm
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Unknown member motions that the new board will decide who serves what term (1 year, 2 year and 3 year) in their first board meeting.

Motion seconded by Peter Perry.

Motion carried by Georgia Page.

Unknown member motions that the new board consider the wording of the rules around proxy so that it is clarified in the co-op rules?

Motion seconded by unknown member.

Motion carried by Georgia Page.

Sam Burn (Co-op Federation) counted the ballot papers.

15. Resignation of Board Directors

Thank you, Narelle Wilson, Georgia Page, Luke Reeves, Peter Perry, Rowan Druce, Alex Walker.

Amy Tyson reads a letter on behalf of Halin to the board.

16. Chair to declare that the addition of these new directors is carried

Susan Ambler – 28 votes

Rowan Clifford – 22 votes

Elmira Forrest – 33 votes

Cecilia Hung – 24 votes

Aaron Kim – 22 votes

Sarah Ladyman – 38 votes

Simone Novello – 31 votes

17. Questions from members

Motion from unknown member that the new board will bring important decisions to the membership where the decision directly affects their experience at the co-op. The board to determine the definition of 'important'.

Motion seconded by Daniel Booker.

Motion carried by Georgia Page.

18. Thank you and close

Thank you, outgoing board.

Thank you, Board nominees.

Thank you, newly instated board.

Close at 6:15pm

BLUE MOUNTAINS FOOD CO-OP

— EST. 1981 —



BLUE MOUNTAINS FOOD CO-OP

Darug & Gundungurra Country

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