

Alfalfa House Community Food Co-operative Limited

(a co-operative)

ABN 42 869 470 678

Annual Report 30 June 2015

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Alfalfa House Community Food Co-operative Limited

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Corporate Information

Alfalfa House Community Food Co-operative Limited

Directors	S Bee D Begg M Cabrera K Lustig C Massa A Taylor
Co-operative secretary	Adam Taylor
Registered office and principle place of business	113 Enmore Road Enmore NSW 2042
Auditors	Steven J Miller & Co Chartered Accountants

Directors' Report

Alfalfa House Community Food Co-operative Limited

Your directors present this financial report to the members of the co-operative for the year ended 30 June 2015.

Directors

The names of the directors in office and attendances at meetings during the year are:

	Date appointed	Date of cessation	Board	
			A	B
S Bee	26 Oct 11		12	12
D Begg	26 Nov 13		12	12
M Cabrera	4 Nov 14		7	8
R Field	4 Nov 14	22 Jun 15	6	8
K Lustig	29 Apr 14		7	8
C Massa	26 Jun 12		10	12
V Murray	29 Apr 14	26 Aug 14	-	2
L Nadolski	8 Dec 13	19 Oct 14	1	3
A Taylor	29 Apr 14		10	12

A Number of meetings attended

B Number of meetings held during the time the director held office during the year

Co-operative secretary

Mr Adam Taylor has been the co-operative secretary since 4 December 2014.

Ms Celine Massa was the co-operative secretary from 28 October 2014 to 25 November 2014.

Ms Liza Nadolski was the co-operative secretary from 27 May 2014 to 19 October 2014.

Principal activities

The sale of organic and ethically-sourced food, in line with the Alfalfa House Community Food Co-operative objectives (see below).

The principal activities remained unchanged during the 2015 financial year.

Review of operations

Alfalfa House 2015 Priorities:

- Affordability, i.e. make our products more affordably priced to members;
- Financial Integrity and sustainability;
- Promotion and Marketing (increasing sales, member engagement, quality of spend);
- Community building;
- Culture change;
- Member owned and managed;
- Greater volunteer engagement; and
- Staff engagement and wellbeing.

The long-term plan for Alfalfa House includes:

- Business plan; and
- Shop development.

Directors' Report

Alfalfa House Community Food Co-operative Limited

Review of operations continued

Actions

1. Improve the financial performance of the Co-operative through increasing sales revenues by improving frequency of member sales (currently only 1 in 4 members shop at AH more frequently than monthly) and by improving competitiveness (initiated following UTS pricing and business plan projects, including a marketing campaign and testing new price strategies). (priorities 2, 3, 5);
2. Improve website and email communications from the Members' Council (MC) via e-notices from MC to members (initiated in FY 2013-14, further developed in FY2014-2015, with regular eNews); further work includes developing a social media strategy. (priorities 3, 4);
3. Improve the financial reporting (moved to cloud-based accounting, which allows for in-house analysis) and review more granular data on product sales and margins and member (and non-member) purchasing patterns. (priorities 2, 5);
4. Establish specialist Working Groups that provide advice to the MC concerning policy and operational issues (a number of groups established, ongoing) and review groups as needed. (priorities 1-5);
5. Improve member shopping experience through better shop layout and refurbishment (completed), further work includes improved signage; greater floor space made available to members and better volunteer deployment beginning with an enhanced new member induction program. (priority 3);
6. Develop more community engagement via specific activities (ongoing) (priority 4);
7. Further improve environmental sustainability (Working Group convened, audit undertaken, actions set and work has commenced) (priority 5);
8. Increase the proportion of members actively engaged in the ongoing operations of the co-op (community building); (priorities 3, 4, 5);
9. Improve transparency so that decisions and processes at all levels of the co-op are more visible to members (regular eNews sent to members, ongoing); and publishing our reports and financials to all members on our website. (priorities 3, 4); and
10. Ensure the long-term viability of the co-op by better meeting the needs of members, including investigating options for future possible relocation (business plan, shop development) (priority 5).

Directors' Report

Alfalfa House Community Food Co-operative Limited

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 7.

Signed in accordance with a resolution of the directors.



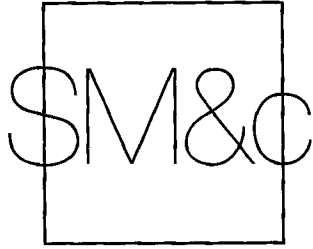
STEVIE BEE

Director

Sydney

Dated

16, 11, 2015



Auditor's Independence Declaration

To the Directors of Alfalfa House Community Food Co-operative Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- (i) The auditor independence requirements of the Co-operatives Act 1992 in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Steven J Miller & Co'.

STEVEN J MILLER & CO
Chartered Accountants

A handwritten signature in black ink that reads 'S J Miller'.

S J MILLER
Registered Company
Auditor No 4286

Sydney

Dated 12, 11, 15

Steven J Miller & Co
Chartered Accountants
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Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 30 June 2015

Alfalfa House Community Food Co-operative Limited

	Note	2015 \$	2014 \$
Revenue	4	1,354,271	1,359,038
Expenses			
Cost of sales		(837,496)	(873,075)
Depreciation and amortisation expenses		(10,112)	(8,467)
Employee benefits expense		(346,523)	(336,023)
Operating expenses		(129,824)	(115,666)
Rent		(32,895)	(26,101)
		-----	-----
Net deficit for the year		(2,579)	(294)
Other comprehensive income		-	-
		-----	-----
Total comprehensive income/(deficit) for the year		-	-
		=====	=====
Total comprehensive deficit attributable To members of the Co-operative		(2,579)	(294)
		=====	=====

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	84,972	96,420
Trade and other receivables	6	-	1,352
Inventories	7	67,221	58,710
Other current assets	8	4,616	1,491
		-----	-----
Total current assets		156,809	157,973
		-----	-----
Non-current assets			
Intangibles	9	2,040	2,720
Plant and equipment	10	50,274	35,659
		-----	-----
Total non-current assets		52,314	38,379
		-----	-----
TOTAL ASSETS		209,123	196,352
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	11	47,056	33,489
Employee benefits	12	18,003	20,686
		-----	-----
Total current liabilities		65,059	54,175
		-----	-----
Non-current liabilities			
Employee benefits	12	9,710	5,244
		-----	-----
Total non-current liabilities		9,710	5,244
		-----	-----
TOTAL LIABILITIES		74,769	59,419
		-----	-----
NET ASSETS		134,354	136,933
		=====	=====
FUNDS			
Unrestricted funds		134,354	136,933
		=====	=====

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	UNRESTRICTED FUNDS	
	2015	2014
	\$	\$
General Funds		
Balance at 1 July	136,933	137,227
Total comprehensive deficit for the year attributable to the members	(2,579)	(294)
	-----	-----
Balance at 30 June	134,354	136,933
	=====	=====

The above statement of changes in funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2015
Alfa House Community Food Co-operative Limited

	Note	2015 \$	2014 \$
Cash flows from operating activities			
<i>Receipts</i>			
Interest received		1,846	3,522
Sales of goods		1,487,668	1,491,067
<i>Payments</i>			
Payments to suppliers and employees		(1,476,915)	(1,583,249)
		-----	-----
Net cash inflow/(outflow) from operating activities		12,599	(88,660)
		-----	-----
Cash flows from investing activities			
<i>Payments</i>			
Plant and equipment	10	(24,047)	(2,690)
		-----	-----
Net cash outflow from operating activities		(24,047)	(2,690)
		-----	-----
Net decrease in cash and cash equivalents held		(11,448)	(91,350)
Cash and cash equivalents at the beginning of the financial year		96,420	187,770
		-----	-----
Cash and cash equivalents at the end of the financial year	5	84,972	96,420
		=====	=====

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

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Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

1 Corporate information

The financial report of Alfalfa House Community Food Co-operative Limited for the year ended 30 June 2015 was authorised for issuance in accordance with a resolution of the directors.

Alfalfa House Community Food Co-operative Limited is a co-operative incorporated and domiciled in Australia.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the Co-operatives Act 1992, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars, which is the Co-operative's functional currency.

(b) Significant accounting judgements, estimates and assumptions

The presentation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgements

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employment departures, and periods of service. The amount of these provisions would change should any of these factors change within the next 12 months.

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

2 Summary of significant accounting policies continued

(c) Taxation

Income tax

The Co-operative self-assesses its requirements for income tax annually and has deemed the co-operative to be exempt from income tax.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the ATO is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the ATO is classified as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(e) Inventories

Inventories are comprised of goods for resale.

Goods for resale

Inventories of goods purchased for resale are valued at the lower of cost and net realisable value. The cost of bringing each item to its present location and condition is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(f) Depreciation of plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and less any impairment losses recognised after the date of revaluation.

Items of plant and equipment are depreciated over their useful lives to the co-operative from the time the asset is held ready for use. Depreciation is calculated on a diminishing value basis over the expected useful economic lives of the assets as follows:

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

2 Summary of significant accounting policies continued

(f) Depreciation of plant and equipment continued

The depreciation and amortisation rates for each class of depreciable asset are:

Plant and equipment	15.00% - 66.67%
Fixtures and fittings	11.25% - 40.00%
Computer software	25.00%
Storage and containers	15.00%

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds the estimated recoverable amount. The asset is then written down to its recoverable amount.

Impairment losses are recognised in the statement of surplus or deficit and other comprehensive income.

De-recognition and disposal

An item of plant and equipment is derecognised upon disposal or when the item is no longer used in the operations of the co-operative. Any gain or loss arising from the de-recognition is recognised in the statement of surplus or deficit and other comprehensive income.

(g) Intangibles

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of four years. It are assessed annually for impairment.

(h) Leased assets and liabilities

Operating leases

Operating lease payments are recognised as an expense in the statement of surplus or deficit and other comprehensive income on a straight-line basis over the lease term.

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

2 Summary of significant accounting policies *continued*

(i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave where it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the co-operative in respect of services provided by employees up to reporting date.

(j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue from sales of goods comprises revenue earned (net of returns, discounts and allowances) from the supply of goods or products to entities outside the Co-operative.

Revenue from the sale of goods shall be recognised when all of the following conditions have been satisfied:

- (i) The Co-operative has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) The amount of revenue can be measured reliably;
- (iii) It is probable that the economic benefits associated with the transaction will flow to the Co-operative; and
- (iv) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Interest income

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(k) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade debtors are due for settlement no more than 30 days from the date of recognition.

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

2. Summary of significant accounting policies *continued*

(k) Trade and other receivables *continued*

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the co-operative will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the statement of surplus or deficit and other comprehensive income.

(l) Trade creditors and other payables

Trade creditors and other payables represent liabilities for goods and services provided to the co-operative prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the creditors is deemed to reflect fair value.

(m) Make good provisions

Costs required to return certain leased premises to their original condition as set out in the lease agreements are recognised as a provision in the financial statements. The provision has been calculated as an estimate of future costs and discounted to a present value.

(n) Comparative figures

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

3 Financial risk management

The Co-operative's activities expose it to a variety of financial risks (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Co-operative's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Co-operative.

Credit risk

The Co-operative has no significant concentrations of credit risk. The Co-operative has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	2015	2014
	\$	\$
4 Revenue		
From continuing operations		
Sales of goods	1,341,834	1,353,830
	-----	-----
	1,341,834	1,353,830
	-----	-----
Other revenue		
Fundraising income	10,591	1,290
Interest received	1,846	3,522
Sundry income and EFTPOS fees	-	396
	-----	-----
	12,437	5,208
	-----	-----
Total revenue	1,354,271	1,359,038
	=====	=====
5 Cash and cash equivalents		
Cash at bank and on hand	84,972	96,420
	-----	-----
	84,972	96,420
	=====	=====
(a) Reconciliation to cash at the end of the year		
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balance per statement of cash flows	84,972	96,420
	=====	=====
6 Trade and other receivables		
Current		
Employee loan receivable	-	1,352
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	2015	2014
	\$	\$
7 Inventories		
Current		
Finished goods – at cost	67,221	58,710
	-----	-----
	67,221	58,710
	=====	=====
 8 Other current assets		
Current		
Prepayments	4,262	1,137
TFN tax withheld from banks	354	354
	-----	-----
	4,616	1,491
	=====	=====
 9 Intangibles		
Software		
Software - at cost	11,463	11,463
Accumulated amortisation	(9,423)	(8,743)
	-----	-----
Total intangibles	2,040	2,720
	=====	=====
 Reconciliations		
Reconciliation of the carrying amount of intangibles at the beginning and end of the current financial year:		
Carrying amount – 1 July	2,720	3,627
Amortisation	(680)	(907)
	-----	-----
Carrying amount – 30 June	2,040	2,720
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	2015 \$	2014 \$
10 Plant and equipment		
Plant and equipment		
Fixtures - at cost	40,069	36,436
Accumulated depreciation	(29,020)	(26,610)
	-----	-----
Total fixtures	11,049	9,826
	-----	-----
Storage containers & scoops - at cost	12,396	12,396
Accumulated depreciation	(6,944)	(5,982)
	-----	-----
Total storage containers & scoops	5,452	6,414
	-----	-----
Shop and office equipment- at cost	53,066	47,216
Accumulated depreciation	(32,543)	(27,797)
	-----	-----
Total shop and office equipment	20,523	19,419
	-----	-----
Leasehold improvements - at cost	14,564	-
Accumulated depreciation	(1,314)	-
	-----	-----
Total leasehold improvements	13,250	-
	-----	-----
Total plant and equipment	50,274	35,659
	=====	=====

Reconciliations

Reconciliation of the carrying amount of
plant and equipment at the beginning
and end of the current financial year:

	Fixtures \$	Storage Container & Scoops \$	Shop/Office Equipment \$	Leasehold Improvements \$	Total \$
Carrying amount – 1 July	9,826	6,414	19,419	-	35,659
Addition	3,633	-	5,850	14,564	24,047
Depreciation	(2,410)	(962)	(4,746)	(1,314)	(9,432)
	-----	-----	-----	-----	-----
Carrying amount – 30 June	11,049	5,452	20,523	13,250	50,274
	=====	=====	=====	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015
Alfa House Community Food Co-operative Limited

	2015	2014
	\$	\$
11 Trade and other payables		
Current		
Accrued charges	6,500	13,333
Net GST (receivable)/payable	(3,095)	(1,993)
Trade creditors	33,079	18,448
PAYG withholding payable	3,641	3,701
Superannuation payable	6,931	-
	-----	-----
	47,056	33,489
	=====	=====
 12 Employee benefits		
Current		
Provision for annual leave	18,003	20,686
	-----	-----
	18,003	20,686
	=====	=====
 Non-current		
Provision for long service leave	9,710	5,244
	-----	-----
	9,710	5,244
	=====	=====
 13 Commitments for expenditure		
Operating leases		
Minimum commitments payable are as follows:		
Within 1 year	8,287	32,426
After 1 year but not later than 5 years	-	10,809
	-----	-----
	8,287	43,235
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

14 Related parties and related party transactions

Key management personnel compensation

Any person having authority and responsibility for planning, directing and controlling the Co-operative's activities, directly or indirectly, including any director (whether executive or non-executive) of the entity is considered key management personnel.

The total remuneration paid to key management personnel of the Co-operative during the year is as follows:

	2015	2014
	\$	\$
Key management personnel compensation	64,065	14,377
	=====	=====

Directors' Declaration

In the opinion of the directors of Alfalfa House Community Food Co-operative Limited:

- (a) the financial statements and notes, set out on pages 8 to 22 are drawn up in accordance with the Co-operatives Act 1992, including;
 - (i) giving a true and fair view of the financial position of the co-operative as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and Co-operatives Regulations 2005; and
- (b) there are reasonable grounds to believe that the co-operative will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the directors.



STEVIE BEE

Director

Sydney

Dated

16/6/2015

Directors' declaration in accordance with section 24 of the Charitable Fundraising Act 1991

for the year ended 30 June 2015

Alfa House Community Food Co-operative Limited

The Directors declare that in their opinion:

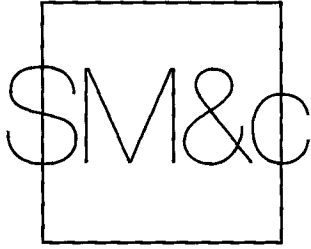
- (a) the financial statements of Alfa House Community Food Co-operative Ltd show a true and fair view of the financial results of charitable and fundraising activities for the year ended 30 June 2015;
- (b) the financial statements and associated records of Alfa House Community Food Co-operative Ltd have been properly kept during the year in accordance with the Charitable Fundraising Act;
- (c) money received as a result of charitable and fundraising activities conducted during the year has been properly accounted for and applied in accordance with the Act; and
- (d) there are reasonable grounds to believe that Alfa House Community Food Co-operative Ltd will be able to pay its debts as and when they fall due.

Signed in accordance with Section 24 of the Charitable Fundraising Act (1991).



STEVIE BEE
Director

Sydney
Dated 16, 11, 2015



Independent Audit Report

To the members of Alfalfa House Community Food
Co-operative Limited

Report on the financial report

I have audited the accompanying financial report of Alfalfa House Community Food Co-operative Limited (the co-operative), which comprises the statement of financial position as at 30 June 2015 and the statement of surplus or deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and directors' declaration.

The responsibility of the directors for the financial report

The directors of the co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Co-operatives Act 1992*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Directors also state, in accordance with Australian Accounting Standards AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the co-operative's preparation and fair presentation of the financial report 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 co-operative's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Steven J Miller & Co
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ABN 23 690 541 177



Liability limited
by a Scheme,
approved under
the Professional
Standards
Legislation

Independent Audit Report

To the members of Alfalfa House Community Food
Co-operative Limited

Independence

In conducting my audit, I have complied with the independence requirements of the *Co-operatives Act 1992*.

Basis for Qualification of Auditor's Opinion

Due to the inability to rely on controls around cash handling (i.e. cash not banked and reconciliation of cash and card sales) I am unable to express an opinion whether sales revenue of Alfalfa House Community Food Co-operative Ltd recorded is complete. Accordingly, I am unable to satisfy myself as to completeness of revenues from cash sales by other audit procedures.

Qualified Auditor's Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of Alfalfa House Community Food Co-operative as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Co-operatives Act 1992*.



STEVEN J MILLER & CO
Chartered Accountants



S J MILLER
Registered Company
Auditor No 4286

Sydney

Dated 17, 11, 15

Disclaimer

Alfalfa House Community Food Co-operative Limited

The additional financial data presented on pages 28 to 30 is in accordance with the books and records of the co-operative which have been subjected to the auditing procedures applied in my statutory audit of the co-operative for the year ended 30 June 2015. It will be appreciated that my statutory audit did not cover all details of the additional financial information. Accordingly, I do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.



STEVEN J MILLER & CO
Chartered Accountants



S J MILLER
Registered Company
Auditor No 4286

Sydney

Dated 17, 11, 15

Detailed Statement of Surplus or Deficit

for the year ended 30 June 2015

Alfalfa House Community Food Co-operative Limited

	Sch	2015 \$	2014 \$
INCOME			
Fundraising income		10,591	1,290
Interest income		1,846	3,522
Net surplus from trading	Sch1	504,338	480,755
Sundry income and EFTPOS fees		-	396
		-----	-----
TOTAL INCOME		516,775	485,963
LESS: EXPENDITURE	Sch2	(519,354)	(486,257)
		-----	-----
NET DEFICIT		(2,579)	(294)
		=====	=====

The above unaudited detailed statement of surplus or deficit should be read in conjunction with the disclaimer

Detailed Statement of Surplus or Deficit

for the year ended 30 June 2015

Alfalfa House Community Food Co-operative Limited

	2015	2014
	\$	\$
SCHEDULE 1 – TRADING STATEMENT		
Sales of finished goods	1,341,834	1,353,830
LESS: COST OF GOODS SOLD		
Opening stock	58,710	64,181
Add: purchases	846,006	867,604
	-----	-----
	904,716	931,785
Less: closing finished goods	(67,220)	(58,710)
	-----	-----
TOTAL COST OF SALES	837,496	873,075
	-----	-----
NET SURPLUS FROM TRADING	504,338	480,755
	=====	=====

The above unaudited detailed statement of surplus or deficit should be read in conjunction with the disclaimer

Detailed Statement of Surplus or Deficit

for the year ended 30 June 2015
Alfalfa House Community Food Co-operative Limited

	Note	2015 \$	2014 \$
SCHEDULE 2 - EXPENDITURE			
Accounting and audit fees		42,500	52,963
Advertising expenses		715	-
Annual leave written back		(2,683)	(6,201)
Bank and merchant fees		9,308	6,975
Cleaning and waste disposal		20,926	1,196
Computer expenses		13,447	11,807
Contractors		817	1,425
Depreciation and amortisation	9/10	10,112	8,467
Electricity and gas		6,776	10,704
General expenses		3,162	(3,163)
Insurance		4,283	8,497
Interest paid		-	1
Long service leaved provided		4,466	5,244
Office equipment		2,636	(106)
Other employer expenses		-	306
Printing, postage, courier and stationery		3,756	5,186
Rent		32,895	26,101
Repairs and maintenance		9,716	7,612
Salaries and wages		315,830	309,799
Staff amenities		97	201
Subscriptions and licences		1,989	1,766
Superannuation		28,910	26,802
Telephone and internet		1,718	1,491
Water rates		725	359
Workers' compensation insurance		7,253	8,825
TOTAL EXPENDITURE		----- 519,354 =====	----- 486,257 =====

The above unaudited detailed statement of surplus or deficit should be read in conjunction with the disclaimer