

Alfalfa House Community Food Co-operative

**Financial Statements
For the Year ended 30 June 2016**

Alfalfa House Community Food Co-operative

Annual Report for the Year Ended 30 June 2016

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Alfalfa House Community Food Co-operative

Board's Report For the Year Ended 30 June 2016

Your board members submit the financial report of the Alfalfa House Community Food Co-operative, for the financial year ended 30 June 2016.

Board Members

The names of board members throughout the year and at the date of this report are:

John Begg

Maurice Cabrera

Renata Field (appointed 17/11/15)

Jonathan Green (appointed 17/11/15)

Katherine Lustig

Emily Mierisch (resigned 28/06/16)

Simon Holmes (resigned 23/09/16)

Andrew Mcnicol (Secretary, appointed 17/11/16)

Catherine O'Keefe (appointed 26/08/16)

Stevie Bee (resigned 17/11/15)

Adam Taylor (resigned 17/11/15)

Celine Massa (resigned 17/11/15)

Principal Activities

The principal activities of the co-operative during the financial year were; the sale of organic and ethically sourced food, in line with the objectives of the co-operative's objectives.

Significant Changes

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

Operating Result

The Loss after providing for income tax for the year ended 30 June 2016 amounted to \$39,980.

Signed in accordance with a resolution of the Board.

.....
Jonathan Green

.....
Katherine Lustig

Dated

Alfalfa House Community Food Co-operative

Statement of Profit or Loss & Other Comprehensive Income For the Year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue		1,208,701	1,354,271
Other revenue		27,837	-
Changes in inventories		4,007	8,511
Purchases		(764,449)	(846,007)
Employee benefits expense		(341,386)	(346,523)
Depreciation and amortisation		(10,227)	(10,112)
Rent and occupancy charges		(37,610)	(32,895)
Accumulated Sales POS Variance		(19,856)	-
Other costs		(106,997)	(129,824)
Loss before income tax	3	<u>(39,980)</u>	<u>(2,579)</u>
Loss for the year		<u>(39,980)</u>	<u>(2,579)</u>
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u>(39,980)</u>	<u>(2,579)</u>

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Balance Sheet As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and Cash Equivalents	4	41,637	84,972
Trade and Other Receivables	6	3,336	3,449
Inventories	7	71,228	67,221
Other Current Assets		-	4,262
Total Current Assets		<u>116,201</u>	<u>159,904</u>
Non-Current Assets			
Property, Plant and Equipment	8	<u>47,399</u>	<u>52,314</u>
Total Non-Current Assets		<u>47,399</u>	<u>52,314</u>
Total Assets		<u>163,600</u>	<u>212,218</u>
Current Liabilities			
Trade and Other Payables	9	43,506	36,720
Short-Term Financial Liabilities	10	6,169	6,931
Provisions	11	19,551	27,713
Other		-	6,500
Total Current Liabilities		<u>69,226</u>	<u>77,864</u>
Total Liabilities		<u>69,226</u>	<u>77,864</u>
Net Assets		<u>94,374</u>	<u>134,354</u>
Equity			
Retained Profits		94,374	134,354
Total Equity		<u>94,374</u>	<u>134,354</u>

The accompanying notes form part of these financial statements.

**Alfalfa House Community Food Co-operative
Statement of Changes in Equity
For the Year ended 30 June 2016**

	2016 \$	2015 \$
Opening Balance	134,354	136,933
Retained Earnings		
(Loss) / Profit Attributable to Members	(39,980)	(2,579)
	<u>(39,980)</u>	<u>(2,579)</u>
Closing Balance	<u>94,374</u>	<u>134,354</u>
 Reconciliation of Retained Earnings		
Opening Balance	134,354	136,933
(Loss) / Profit Attributable to Members	(39,980)	(2,579)
Closing Balance	<u>94,374</u>	<u>134,354</u>
 Total Equity	<u>94,374</u>	<u>134,354</u>

*The accompanying notes form part of these financial statements.
These financial statements have not been subject to audit or review and should be read in conjunction
with the attached Compilation Report.*

Alfalfa House Community Food Co-operative

Statement of Cash Flows For the Year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from Customers		1,240,143	1,489,514
Payments to Suppliers and Employees		(1,278,415)	(1,476,915)
Interest Received		1,011	-
Net Cash Outflow from Operating Activities	5	<u>(37,261)</u>	<u>12,599</u>
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		<u>(6,074)</u>	<u>(24,047)</u>
Net Cash Outflow from Investing Activities		<u>(6,074)</u>	<u>(24,047)</u>
Net Decrease in Cash Held		<u>(43,335)</u>	<u>(11,448)</u>
Cash and Cash Equivalents as at beginning of the year		84,972	96,420
Cash and Cash Equivalents as at end of the year		<u><u>41,637</u></u>	<u><u>84,972</u></u>

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Notes to the Financial Statements For the Year ended 30 June 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the co-operative is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Co-operatives (Adoption of National Law) Act 2012 (NSW). The co-operative is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles 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 those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

(a) **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.

(b) **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(c) **Employee Benefits**

Provision is made for the co-operative's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or committees' valuation. All assets excluding freehold land, are depreciated over their useful lives to the association. Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

(e) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received.

(f) **Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. All revenue is stated net of the amount of goods and services tax (GST).

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Notes to the Financial Statements For the Year ended 30 June 2016

Sale of Goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest Revenue

Interest is recognised using the effective interest method.

Grant Revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight line basis.

Other Revenue

Other revenue is recognised when the association is entitled to the funds.

(g) **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). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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.

Alfalfa House Community Food Co-operative

Notes to the Financial Statements For the Year ended 30 June 2016

	2016	2015
	\$	\$
2. Profit		
Expenses		
Increase in Inventories of Finished Goods or Wip	(4,007)	(8,511)
Raw Materials, Purchases and Consumables Used	764,449	846,007
Employee Benefits Expense	341,386	346,523
Depreciation and Amortisation	10,227	10,112
Rent	37,610	32,895
Other Expenses	126,853	129,824
	1,276,518	1,356,850
3. Profit for the Year		
Profit before income tax expense from continuing operations includes the following specific expenses:		
Charging as Expense		
Cost of Goods Sold	760,442	837,496
Movements in Provisions		
Depreciation		
- Depreciation of Property, Plant and Equipment	10,227	10,112
Net Expenses Resulting from Movement in Provisions	10,227	10,112
4. Cash and Cash Equivalents		
Cash on Hand	4,896	19,700
Cash at Bank	24,855	38,343
Cash at Bank	11,886	26,929
	41,637	84,972
Reconciliation of Cash		
Cash and Cash Equivalents	41,637	84,972
5. Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after Income Tax	(39,980)	(2,579)
Adjustments for Non-Cash Components in Profit:		
Depreciation	10,227	10,112
Changes in Assets and Liabilities		
Decrease in Trade and Other Receivables	4,375	(1,733)
Increase in Inventories	(4,007)	(8,511)
Increase in Trade and Other Payables	286	13,527
Decrease in Provisions	(8,162)	1,783
Net Cash Decrease in Cash Held	(37,261)	12,599

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Notes to the Financial Statements For the Year ended 30 June 2016

	2016	2015
	\$	\$
6. Trade and Other Receivables		
Current		
Sundry Debtors	-	354
Provision for GST	3,336	3,095
	<u>3,336</u>	<u>3,449</u>
Total Trade and Other Receivables	<u><u>3,336</u></u>	<u><u>3,449</u></u>
7. Inventories		
Current		
Stock on Hand	71,228	67,221
	<u>71,228</u>	<u>67,221</u>
8. Property, Plant and Equipment		
Land and Buildings		
Property Improvements		
Property Improvements	14,564	14,564
Less Accumulated Impairment	3,499	1,314
	<u>11,065</u>	<u>13,250</u>
Total Land and Buildings	<u>11,065</u>	<u>13,250</u>
Plant and Equipment		
Plant & Equipment	6,414	6,414
Less Accumulated Impairment	1,780	962
	<u>4,634</u>	<u>5,452</u>
Office Furniture & Equipment	30,583	25,269
Less Accumulated Impairment	9,345	4,746
	<u>21,238</u>	<u>20,523</u>
Furniture & Fittings	13,459	13,459
Less Accumulated Impairment	4,527	2,410
	<u>8,932</u>	<u>11,049</u>
Software	2,040	2,040
Less Accumulated Impairment	510	-
	<u>1,530</u>	<u>2,040</u>
Total Plant and Equipment	<u>36,334</u>	<u>39,064</u>
Total Property, Plant and Equipment	<u><u>47,399</u></u>	<u><u>52,314</u></u>
9. Trade and Other Payables		
Current		
Trade Creditors	39,865	33,079
PAYG Withholding Payable	3,641	3,641
	<u>43,506</u>	<u>36,720</u>
Total Trade and Other Payables	<u><u>43,506</u></u>	<u><u>36,720</u></u>

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Notes to the Financial Statements For the Year ended 30 June 2016

	2016	2015
	\$	\$
10. Financial Liabilities		
Current		
Superannuation Payable	6,169	6,931
	<u>6,169</u>	<u>6,931</u>
Total Financial Liabilities	<u>6,169</u>	<u>6,931</u>
11. Provisions		
Current		
Provision for Annual Leave	15,954	18,003
Provision for Long Service Leave	3,597	9,710
	<u>19,551</u>	<u>27,713</u>

The accompanying notes form part of these financial statements.

Alfalfa House Community Food Co-operative

Statement by Members of the Board For the Year ended 30 June 2016

The board has determined that the Co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the board as set out in the accompanying financial report;

1. This report presents a true and fair view of the financial position of Alfalfa House Community Food Co-operative as at 30 June 2016 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Alfalfa House Community Food Co-operative will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

.....
Director: Jonathan Green

.....
Director: Katherine Lustig

Dated

Alfalfa House Community Food Co-operative Compilation Report To Alfalfa House Community Food Co-operative

We have compiled the accompanying special purpose financial statements of Alfalfa House Community Food Co-operative which comprise the balance sheet as at 30 June 2016, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting adopted is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting adopted and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Sustainable Numbers Pty Ltd

Chartered Accountants
Suite 405 Level 4, 83 York St Sydney NSW

Anthony Zahra
Director
3 November 2016