

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

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ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

BOARD REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The board members submit the financial report of the Alfalfa House Community Food Cooperative Ltd, for the financial year ended 30 June 2020.

Board Members

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

- Bruce Diekman (appointed 19/11/2017)
- Thomas Bartels (appointed 25/11/2018)
- Ashton Roskill (appointed 4/04/2019)
- Lauren Sims (appointed 26/09/2019)
- Anthony Taylor (appointed as deputy 26/09/2019, appointed as director 4/12/2019, resigned 23/02/2020)
- Vicki D'Adam (appointed 28/11/2019)
- Uppma Virdi (appointed 23/02/2020)
- Karl Coombe (appointed 23/02/2020)

Principal Activities

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

Significant Changes

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

Operating Result

The net profit prior to post year-end adjustments for the year ended 30 June, 2020 was \$17,382.


Signed in accordance with a resolution of the Board.



Director

THOMAS BARTELS

Director


BRUCE DIEKMAN

Dated:

27/11/20
2020

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
REVENUE			
Sales revenue	2	1,106,732	1,065,518
Other revenue	2	51,420	65,265
TOTAL REVENUE		1,158,152	1,130,783
EXPENSES			
Change in inventories		4,489	(20,443)
Purchases		(729,370)	(676,855)
Employee benefits expense		(297,137)	(354,140)
Depreciation expenses		(14,595)	(13,355)
Rent charges		(46,294)	(41,970)
Other costs	3	(59,085)	(77,238)
Sales POS variance		1,222	4,567
TOTAL EXPENSES		(1,140,770)	(1,179,434)
NET PROFIT / (LOSS) PRIOR TO POST YEAR-END ADJUSTMENTS		17,382	(48,651)
ANNUAL LEAVE LOADING BACKPAY EXPENSES	9	(20,000)	-
NET PROFIT / (LOSS) AFTER POST YEAR-END ADJUSTMENTS		(2,618)	(48,651)

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

BALANCE SHEET

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	62,925	23,486
Trade and other receivables		1,100	1,261
Inventories	5	38,890	34,401
TOTAL CURRENT ASSETS		102,915	59,148
NON CURRENT ASSETS			
Property, plant and equipment	6	55,741	70,336
TOTAL NON-CURRENT ASSETS		55,741	70,336
TOTAL ASSETS		158,656	129,484
CURRENT LIABILITIES			
Trade and other payables	7	49,522	64,336
Short-term financial liabilities	8	6,201	7,004
Provisions	9	29,093	6,686
TOTAL CURRENT LIABILITIES		84,816	78,026
NON-CURRENT LIABILITIES			
Directors loans	10	25,000	-
TOTAL NON-CURRENT LIABILITIES		25,000	-
TOTAL LIABILITIES		109,816	78,026
NET ASSETS		48,840	51,458
EQUITY			
Retained profits		48,840	51,458
TOTAL EQUITY		48,840	51,458

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

CHANGES IN EQUITY STATEMENT

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Opening balance		51,458	100,109
Retained earnings			
Profit/(loss) attributable to members		(2,618)	(48,651)
CLOSING BALANCE		48,840	51,458

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

CASH FLOW STATEMENT

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers		1,158,079	1,130,597
Payments to suppliers and employees		(1,143,713)	(1,128,901)
Interest received		73	186
NET CASH INFLOW FROM OPERATING ACTIVITIES		14,439	1,882
Cash flow from investing activities			
Purchase of property, plant and equipment		-	(7,252)
Increase in long-term liabilities		25,000	-
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		25,000	(7,252)
NET INCREASE / (DECREASE) IN CASH HELD	11	39,439	(5,370)
Opening cash and cash equivalents		23,486	28,856
Net increase / (decrease) in cash held		39,439	(5,370)
CLOSING CASH AND CASH EQUIVALENTS	4	62,925	23,486

The accompanying notes form part of these financial statements.

This report should be read in conjunction with the attached compilation report.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report. It has been prepared specifically to meet the requirements of the Co-operatives (Adoption of National Law) Act 2012 (NSW). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is prepared on an accruals basis (except for the cash flow information) and is based on historical costs unless otherwise stated in the notes. The amounts presented have been rounded to the nearest dollar. The below accounting policies which are consistent with previous periods have been adopted by the directors and are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(b) Provisions

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

(c) Employee benefits

Provisions are recognised for employee benefits arising from services rendered by employees and are measured as 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 director's valuation. All assets, excluding freehold land and buildings are depreciated over their useful lives.

(e) Income Tax

The entity is a not-for-profit organisation and the board considers it to be exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 following their own self-assessment, in accordance with their activities and objectives.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down using an obsolescence provision if necessary.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

(g) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and rebates allowed. Therefore deferred consideration is not discounted to present values when recognising revenue.

(h) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

	2020 \$	2019 \$
2 Revenue		
Sales revenue		
Sale of goods	1,106,732	1,065,518
Other revenue		
Annual subscription fees	33,592	17,002
Cash flow boost	14,350	-
Donations	-	43,319
Fundraising income	488	-
Grants	-	500
Interest received	73	185
Workshop fees	2,917	4,259
	51,420	65,265
	1,158,152	1,130,783
3 Other costs		
Other costs include but are not limited to accounting, advertising and marketing, bookkeeping, cleaning, EFTPOS fees, insurances, shop operating expenses such as electricity and gas, rubbish removal, internet and telephone, repairs and maintenance, equipment hire, pest management, subscriptions, stationery and office supplies.		
	59,085	77,238
4 Cash and cash equivalents		
Cash on hand	3,690	11,131
Deposits	3,586	3,586
Cash at bank - account # 249	410	37
Cash at bank - account # 250	27,399	3,918
Cash at bank - account # 780	27,840	4,814
	62,925	23,486

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
5 Inventories		
Current		
Stock on hand	38,890	34,401
6 Property, plant and equipment		
Property		
Property improvements	15,064	15,064
Less: Accumulated depreciation	(12,352)	(10,105)
	2,712	4,959
Plant and equipment		
Containers and scoops	12,396	12,396
Less: Accumulated depreciation	(9,977)	(9,550)
	2,419	2,846
Shop and office equipment	70,674	70,674
Less: Accumulated depreciation	(52,854)	(49,494)
	17,820	21,180
Fixtures and fittings	71,503	71,503
Less: Accumulated depreciation	(44,747)	(39,674)
	26,756	31,829
Software	22,214	22,214
Less: Accumulated depreciation	(16,180)	(12,692)
	6,034	9,522
Total plant and equipment	53,029	65,377
Total property, plant and equipment	55,741	70,336
7 Trade and other payables		
Current		
GST	565	-
Trade creditors	48,957	59,688
PAYG withholding payable	-	4,648
	49,522	64,336

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
8 Financial liabilities		
Current		
Superannuation payable	6,201	7,004
	6,201	7,004
9 Provisions		
Current		
Provision for annual leave	9,093	6,686
Provision for annual leave loading backpay and associated superannuation	20,000	-
	29,093	6,686

Subsequent to 30 June 2020 year end, at the end of September 2020, Alfalfa House's bookkeeper discovered the Co-operative may not have been correctly paying Annual Leave Loading on Annual Leave payments.

On investigation by the Treasurer and MC Board, it was discovered there had been some inconsistency of payments of annual leave loading, possible underpayments and non-payments of annual leave loading spanning a few financial years.

On understanding the extent the Treasurer contacted the Fair Work Ombudsman (FWO) and disclosed this to them also confirming with them appropriate next steps and calculation methodology.

Since then the MC Board, Treasurer and bookkeeper have been working to ensure Alfalfa House meets its compliance obligations and have sought guidance from other qualified professionals and the FWO.

At the date of signing of the financial statements, the total associated liability (including Superannuation calculated on the finalised Annual Leave Loading balances owed per guidance by the ATO) is yet to be 100% confirmed.

The \$20,000 provision made is a conservative estimate at the date of signing of these Financial Statements.

The Co-operative intends to finalise payment once calculations are reviewed by the MC, other qualified professionals and the FWO.

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
10 Directors Loans		
Ashton Roskill	10,000	-
Bruce Diekman	5,000	-
Tom Bartels	10,000	-
	25,000	-
11 Cash flow information		
Net loss after post year-end adjustments	(2,618)	(48,651)
Depreciation	14,595	13,355
Movements in assets and liabilities:		
(Increase) in property, plant and equipment	-	(7,252)
Decrease in trade and other receivables	161	2,707
(Increase) / decrease in inventories	(4,489)	20,443
(Decrease) / increase in trade and other payables	(15,617)	23,524
Increase / (decrease) in provisions	22,407	(9,496)
Increase in long-term liabilities	25,000	-
Net increase / (decrease) in cash held	39,439	(5,370)

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

MEMBERS OF THE BOARD STATEMENT

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

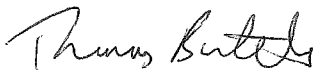
The board declares that:

- 1 The financial report presents fairly the entities financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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

Director



THOMAS BANTERS

Director



BRUCE DIEKMAN

Dated:

27/11/2020

ALFALFA HOUSE COMMUNITY FOOD COOPERATIVE LTD

COMPILATION REPORT

Scope

On the basis of the information provided by the directors of Alfalfa House Community Food Cooperative Ltd, we have compiled in accordance with APES 315: Compilation of Financial Information, the special purpose financial report of Alfalfa House Community Food Cooperative Ltd for the year ended 30 June 2020, as set out in the attached profit and loss statement, balance sheet, changes in equity statement, cash flow statement, notes to the financial statements and members of the board statement.

The special purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which the accounting standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is also set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report. This includes the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

We have applied professional expertise in accounting and financial reporting to compile these financial statements on the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

Since a compilation engagement is not an assurance engagement, there is no requirement to verify the reliability, accuracy or completeness of the information provided to us to compile the special purpose financial report. Accordingly, an audit opinion or review conclusion has not been expressed.

The special purpose financial report has been compiled for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of this special purpose financial report.

Raissis Taxation Services
PO Box 236
Haberfield NSW 2045



Caroline Raissis

Dated: 24 November, 2020