



Disclosure Statement

For:

Hopsters Co-operative Brewery Limited

A distributing co-operative

Company ABN:	60 962 465 667
Co-Operative number:	NSWC31923
Website:	https://hopsters.coop

Last update date: July 2024



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1. General Australian Federal Government Investment Warning

Crowd-sourced funding is risky.

Investing in shares is risky.

Investing in debt is risky.

Issuers or businesses using these facilities often include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

2. Disclosure Statement Distribution

This document is intended for issue and distribution in the state of New South Wales, Australia. Any prospective members who do not reside in New South Wales should seek independent advice prior to joining Hopsters Co-Operative Brewery Limited.



3. Name and Registered Office

Name: Hopsters Co-operative Brewery Limited (Hopsters Co-op)

Registered Office: 198 Enmore Rd, Enmore, NSW, 2042

4. Officers

Directors

Alan Skipper

Andrew Burnard

Bruce Cech

Gordon Babe (Chairperson)

Hansi Leijonhufvud

Kieran Bowles (Secretary)

Sarah Hall

Treasurer

Michael O'Shea

Vacancies

There are nine (9) Director positions on the Hopsters Board. There are up to four upcoming board director positions to be appointed at the 2024 AGM. These are due to departures of existing serving board members retiring.

Duty of Disclosure of Interests of Directors

No Directors have disclosed relevant interests. As a matter of course Directors are asked for any updates to their disclosures at each Board meeting.

5. Registration, Licences and Premises

Registration

Hopsters Co-operative Brewery Limited was officially registered with NSW Fair Trading on 21st October 2016.



It was launched to the public accepting memberships on 9th December 2016.

Licences

On 4th May 2018 the Office of Liquor, Gaming and Racing (OLGR) approved Hopsters Co-op application for a packaged liquor licence.

This licence allows Hopsters Co-Op to sell beer to:

The public via the Hopsters Co-op Website, by telephone, mail order or facsimile.

Produce liquor and/or sell liquor to other liquor licensees (wholesale sales). This includes sales of kegs and packaged beer to other licensees.

On 29 April 2019 Hopsters Co-op was granted a licence of type:

Liquor – Small Bar licence

Premise: 198 Enmore Rd, Enmore, NSW 2042

Manager: Mr. Mitch Hobbs

This license allows Hopsters Co-op to sell alcohol for consumption on premise.

On 14th of October, 2021 the Australian Tax Office approved Hopsters Co-Op a license to manufacture excisable goods. This license allows Hopsters Co-Operative to manufacture excisable goods being beer for commercial purposes.

It is the intention to pursue further licensing as it pertains to relevant Inner West Council Development Application requirements, Sydney Water commercial trade wastewater approvals, and the Liquor & Gaming NSW Producer/wholesaler license.

Leased Premises

On 23 August 2018, Hopsters Co-op entered into a 5 year lease at 198 Enmore Rd, Enmore, NSW, 2042. This lease has an option to extend for a further 5 years, which has recently been exercised.

6. Membership numbers

As at July 2024 there are 900+ members.



7. About Hopsters Co-Op

In January 2016, a group of professionals and craft beer enthusiasts began talking about their love of craft beer and discussing how they might start a craft brewing enterprise that was owned by the community and provided mutual support within its community in line with successful international models.

It was decided that the co-operative model was the most appropriate legal model for this enterprise because it was capable of bringing in investment across a whole community and engaging the same community in its activities through active membership.

The name Hopsters Co-operative Brewing was chosen because the name embodies the idea of a young, vibrant and enterprising community business that aims to brew beer and appreciate all aspects of the craft beer industry.

In the last 10 years there have been many new enterprises focused upon brewing small lots of different craft beers and these have appealed to many people who like beer and appreciate the different styles of beer that are now available in Australia. The success of these small craft breweries has meant that they are either replicated or bought by larger commercial interests and they lose the essence of small-scale craft brewing. The difference between these new enterprises and Hopsters Co-operative Brewery is that under the co-operative model the members own the brewery and support its operations.

The business model for Hopsters Co-op is one that provides multiple avenues for engagement between members, the community and the co-operative. We aim to establish a brewing business that has true engagement between beer producers, drinkers and enthusiasts as well as with the wider community.

Hopsters Co-op strives to make its events and activities welcoming and accessible to all members of our community. The products that Hopsters Co-op make, as well as our business practices, will reflect the values and needs of our owner-members with a specific emphasis placed on building a supportive and educational environment and engaging with our local community.

To become a member of Hopsters Co-op each person contributes a minimum, once off contribution of \$250 for 5 x \$50 shares in the co-operative (a "membership fee").

Members may also purchase additional shares in the co-operative. Under the Co-operatives National Law (CNL) no single member can own more than 20% of the co-operative.



8. Hopsters Co-op Mission, Vision, Values, Principles

Hopsters Co-op's Mission

"To brew exceptional quality craft beer leveraging the principles of the co-operative business structure".

Hopsters Co-op's Vision

"To foster a community to connect, learn, create and have fun through beer".

Hopsters Co-op's Values

Collaboration – Hopsters Co-op will be the birthplace for great beer. Our members will have an integral part in designing and voting on what beer we produce. The beer will not simply be the Brewery's beers. It will be a true reflection of our members and belong to them.

Education – We believe that beer education will foster a deeper appreciation for beer. We will promote beer education through a range of activities, such as Learn To Brew classes that will be developed and evolve according to the preferences of our members.

Community – Hopsters Co-op plans to be a viable member in the local community and across Australia. We look forward to building relationships with craft brewers, other co-operatives and local businesses.

The co-operative principles from Co-operatives National Law (Act 2012 no 29)

1. Voluntary and open membership

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic member control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have



equal voting rights (1 member, 1 vote) and co-operatives at other levels are organised in a democratic way.

3. Member economic participation

Members contribute equitably to, and democratically control, the capital of their co-operative.

At least part of the capital is usually the common property of the co-operative. They usually receive limited compensation (if any) on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes:

- (a) developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible;
- (b) benefiting members in proportion to their transactions with the co-operative;
- (c) supporting other activities approved by the membership.

4. Autonomy and independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, training and information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives.

They inform the general public, particularly young people and opinion leaders, about the nature and benefits of co-operation.

6. Co-operation among co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7. Concern for the community

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.



Hopsters Co-op guiding principles

The guiding principles of our business model will be:

- Production and operations must be economically sustainable and environmentally responsible.
- Consumption of alcoholic beverages will take place in a community accessible venue and will comply with responsible service of alcohol requirements.
- Promoting an appreciation of beer through education about beer, its ingredients, styles and brewing methods as well as the culture surrounding beer brewing.
- Provide an avenue for home brewers to learn more about the craft of brewing.
- Recognise the value of community by supporting our local community through employment opportunities and participation, engagement in appropriate local events.

The co-operative model of democratic governance and member focus combined with the 7 co-operative principles aligns closely with our Mission.

9. What membership of Hopsters Co-op means

You should read the co-operative's rules for a full explanation of the costs, benefits and responsibilities of membership.

○ **Who can be a member**

Membership is open to any individual who is at least 18 years old in Australia.

○ **Membership and additional shares**

Hopsters Co-op is a distributing co-operative and it has a share capital. Each share has a fixed nominal value of \$50.

Each member is required to buy a minimum of 5 shares, that is a total share capital contribution of \$250. Hopsters Co-op reserves the right to update the share price based on the value of the business and/or current economic conditions such as inflation.



Members may buy more than 5 shares if they wish. A member who has more than the minimum number of shares does not obtain any extra voting rights but may receive greater dividends if and when the co-operative makes a sufficient surplus to declare a dividend in a financial year.

Shares do not carry a vote. Voting is attached to membership, and each member has one vote regardless of the number of shares the member holds.

No single member can own more than 20% of the share capital in the co-operative.

- **Administration Fee**

Hopsters Co-op reserves the right to charge a \$10 application administrative fee for new members. To date, since commencement of taking applications for membership, this fee has been waived.

- **Returns to Members**

Hopsters Co-op does not expect to be able to pay any returns to members within the first few years of operation. Hopsters Co-op will consider paying dividends to members in the event there is a sufficient surplus in a financial year, while still allowing enough free cash flow to support the ongoing operation of the business.

- **Ongoing obligations and active membership requirement**

Co-operatives are based on mutual arrangements between members and their co-operative whereby members support their co-operative's main or primary activities through an active membership requirement. The Hopsters Co-op rules (Rule 4) identify two primary activities and require members to support those primary activities in particular ways. Rule 4 is set out below:

(1) Primary activity

For the purposes of Part 2.6 of the Law, the primary activities of the co-operative are:

Brewing, distributing and selling craft beer, and
Conducting beer brewing classes and events

(2) Active membership requirements

To establish and maintain active membership of the co-operative a member must:



- Purchase a minimum value of \$100 worth of goods or services from the co-operative each financial year, or
- Participate in a beer brewing class or event at least once each financial year, or
- Joining and participating in a Board appointed committee during the financial year

- **Risk**

Hopsters Co-op is embarking on a new business enterprise. All new businesses face the risk of failure. Initial financial information is contained in section 10 of this document.

Hopsters Co-op is incorporated as a co-operative under the Co-operatives National Law and will be a separate legal entity with limited liability. This means that as a member, the most that you may lose if the Hopsters Co-op enterprise fails is the share capital that you have invested in the co-operative. If you have only purchased the minimum share capital of 5 shares for \$250, then this is the amount you may lose if Hopsters Co-op fails as an enterprise. Likewise, if you choose to invest more than the minimum by purchasing additional shares or subscribing to Unsecured Notes (lending money to Hopsters), you may lose the entire amount of any additional investment.

Even though Hopsters Co-op is a co-operative the Board of Directors are required to perform their duties in full accordance with the Corporations Law. The Board of Directors is also required to abide by the Director's Code of Conduct, a copy of which is available on the website.

There are some preconditions to the enterprise starting up, such as obtaining local council development consents, Australian Tax Office manufacturing licences, NSW Office of Liquor and Gaming (OLGR) liquor licences and obtaining sufficient start-up capital. If any of these preconditions are not met at various stages of businesses development, then the Directors of Hopsters Co-op may call a meeting to decide what to do and this may mean dissolving the business and returning any capital that has not been used back to members in proportion to their shareholding, or determine if there are sufficient grounds and funds to continue to be used to serve the purpose of the co-operative for it to trade on a solvent basis.

- **Can I lose my membership or stop being a member?**

Yes, you will lose it if you don't use it – active membership is key!

You can lose your membership if you don't support the co-operative under the requirements for active membership in Rule 4. Co-operatives only work by serving the needs or wants of their members who, in turn, satisfy those needs or wants by acquiring them from the co-operative. If you do not buy goods or services or attend the required number of events for a period of three years, your membership will be considered inactive and the Board of the co-operative will be required to consider whether to cancel your membership.



You can resign.

A member who finds that they no longer wish to participate in the co-operative can give one month's notice of their resignation. On resignation, Hopsters Co-op will repurchase your share capital from you in compliance with Rule 11, taking into account any losses in value of share capital, and as long as it is financially viable for the business to return any funds. The Board reserves the right to withhold any refund should the co-operative not be in a financial position to do so.

You can have your membership cancelled.

Hopsters Co-op will work best with members who understand and support its mission and values and who abide by the rules. As a community-based enterprise that needs to comply with development approval conditions and liquor licensing laws, members who breach the Hopsters Co-op rules or behave in a manner detrimental to the co-operative may find that they will risk suspension and / or expulsion by a vote from the other members (Rules 9 & 12).

- **Can I get my money back?**

Any administration fee charged at the time of joining (if applicable) is not refundable.

Generally, share capital is not refundable, however, shares in a co-operative are a little different from shares in a company. If your membership is cancelled because you are inactive, expelled or you resign, then the co-operative is required to repay your share capital, considering any loss in value, less any money that you might owe the co-operative and possibly at less than the fixed price of the shares, for example if there is a deficiency. The co-operative can delay repaying this capital in circumstances where repayment might compromise the financial viability of the co-operative (Rule 11).

You cannot ask the co-operative to repurchase the shares that you have invested in the co-operative, unless you have held those shares for at least 2 years. If after such time you wish to request a repurchase, the co-operative will consider such a request, but may refuse to repurchase if it would breach the Co-operatives National Law or compromise the financial stability of the co-operative.

You can sell or transfer your shares to another member or to another person who wants to become a member subject to approval by the Hopsters Co-op Board.



It is important to note that once you purchase shares in Hopsters Co-op, the Board of the Co-Operative will consider this as your commitment to fund a brewery and tap room in addition to securing membership. Should a particular initiative not be successful, the Co-operative may use the funds raised through the sale of shares to undertake a separate initiative provided that it continues to meet the goals set out in this document and our Business Plan.

- **Any other potential costs?**

The co-operative is a business enterprise and will sell products such as beer, other alcoholic drinks and may sell home brew supplies and brewery related merchandise. We will sell tickets in our beer-related events, such as 'Learn to Brew' education classes.

- **Benefits of membership**

Become an owner of Australia's first co-operative Brewery

A co-operative is an organisation owned by its members. Members of Hopsters Co-operative Brewery Limited will own their co-operative and its enterprise. Shares in the co-operative can only be owned by people who agree to the Rules and are actively involved.

Members of Hopsters Co-op will receive promotional benefits relating to purchases of products and services, as well as admission to selected events at member prices. Additionally, if the co-operative is successful and makes a sufficient trading surplus, they may also receive a dividend on their share capital, subject to the Board declaring any dividends.

Finally, Hopsters Co-op is built on a business model which encourages collaboration, both within the craft beer-drinking and wider local communities. By joining, you will be supporting other like-minded individuals in establishing a unique business which will actively work to engage with and be shaped by people like you.

- **Voting**

Co-operatives are democratically run, member focused organisations

Each member has one vote in how the co-operative is managed, and in making the big decisions for the co-operative.

The day to day management of the co-operative is the responsibility of the Board of Directors. The majority of the Directors of Hopsters Co-op must also be members, so their interests will be the same as the interests of all members.



Members vote at the Annual General Meeting and at any other general meeting of the co-operative called to make important decisions such as electing Directors or changing the Rules.

Some important decisions must be made by all members, and the Co-operatives National Law requires these to be made by a special postal ballot. This requirement is designed to ensure that all members have the best opportunity to cast a vote on important decisions affecting their co-operative.

- **How to apply for membership and shares**

Your application needs to be completed online and must be accompanied by any additional fees, such as an administration fee or postage fees (if applicable), and the amount of money to be paid in respect of the number of shares that you wish to buy (minimum of 5 shares).

You may also purchase additional shares.

The application form and payment form are located on our website, <https://hopsters.coop>

- **Election of Directors**

In accordance with the Rules (Rule 47) the initial Director's term of office is to be not more than three years ending on the day of the third annual general meeting (AGM) after the formation meeting. After the initial three year period is served Directors are required to retire. A retiring Director may nominate to stand for re-election at the next AGM.

The three year term of office of Directors elected thereafter, is to commence from the annual general meeting at which they are elected and ends on the day of the third annual general meeting thereafter.

All terms of office for Directors elected at an annual general meeting will be for three years. In the event that there is a casual vacancy on the Board the remaining Directors may appoint a person to fill the casual vacancy until the end of the retiring Directors term.

The majority of Directors on the Board must be members of the co-operative. Non-member Directors may be elected to the Board where they have special qualifications and experience that will be of benefit to the co-operative.

The nomination procedure is set out in Rule 47.



There is no restriction on a Director who has already served their term of office from nominating to stand for election to the Board for a subsequent term.

- **Remuneration of Directors**

For the first three years of the operation of the co-operative, Directors will not receive any remuneration for their services, unless the Director is a non-member Director elected to provide specialist skills to the co-operative.

Directors will be entitled to recover expenses for attending co-operative meetings and may be entitled to receive payments for additional services rendered as a contractor, provided that these matters are declared at Board meetings and recorded in any register maintained to record interests of Directors.

After the first three years of the operation of the co-operative, any remuneration or fees paid to Directors must be approved by the members at the annual general meeting.

- **Day to day management**

The Board may appoint a person or persons to be responsible for the day to day management of the co-operative activities. These persons may be a member of the co-operative or some other person.

Roles may include brewery manager, taproom / bar manager, for example.

The conditions and the period of appointment including termination must be decided by the Board.

- **Financial Management**

The Treasurer has oversight of the financial management and accounting requirements, working closely with other members of the Board of Directors.

It is important to note that although the Treasurer ensures that these responsibilities are met, much of the work may be delegated to a finance sub-committee (or other Hopsters Co-op sub-committee), paid staff and or third-party companies or individuals.

In summary, the Treasurer's responsibilities include:

1. General financial oversight



3. Financial planning and budgeting
4. Financial reporting
5. Banking, bookkeeping and financial record keeping

- **Auditing**

Hopsters Co-op expects to be a small co-operative for at least the first three years. Under the Co-operatives National Law, a small co-operative is not required to have its financial statements audited, and members must be provided with basic unaudited financial statements at the Annual General Meeting. Members have a right to require the co-operative to have accounts audited under s271 of the Co-operatives National Law.

To balance the interest of members in the start-up process and to maintain costs during this period at a minimum, the Rules provide that there will be no auditor appointed, however, members will consider and vote on the question of whether to appoint an auditor at each Annual General Meeting. If an auditor is appointed at an Annual General Meeting the terms of that appointment, including whether it will be a continuing appointment, will also be voted upon by members.

10. Current Directors

Alan Skipper – *appointed to the Board 2023 AGM.*

Member No: 611 Joined: June 2020

Alan is an educator and a passionate community advocate for the arts and music scene, as well as a business owner and all things craft enthusiast (whether the drinking kind or the making kind).

Hansi Leijonhufvud – *appointed to the Board 2023 AGM.*

Member No: 704 Joined: January 2021

Hansi is an experienced administrator who has led teams in non-profit organisations and governmental agencies. Hansi holds a Master of Business Administration degree, and has served on boards and subcommittees in the not-for-profit space. Enjoys getting to know everyone in the taproom and listening to their opinions on craft beer and the future direction of Hopsters, whether or not they're as big a fan of the 15% imperial stouts.



Bruce Cech - *Appointed October 2023 to a casual board vacancy. Ratified as elected board member 2023 AGM.*

Member No: 832

Joined: December 2022

Bruce is an IT and Network technology professional, currently a solution architect and systems designer. Bruce has been a homebrewer since the early 2000's, and has also previously operated a home brewing business for several years. More recently he's undertaken Cicerone training to extend his understanding of craft beer flavours and science. Bruce's skills in technology and problem solving, knowledge of brewing and small business, and passion for cooperative will make a valuable addition to the Hopsters board.

Andrew Burnard – *appointed to the Board 3 August 2022 as a Casual Board Member. Appointed to Board at the 26th November, 2022 AGM*

Member No: 456

Joined: 8th April, 2019

Andrew is an engineer working in the sustainable energy sector, helping organisations to save energy and generate their own. He has experience across technical design, project management, communications, and policy. He also has years of experience as a director of not-for-profit organisations. Andrew has a strong interest in the "nuts and bolts" side of brewing and leads the maintenance and construction committee for the board. Andrew rides bikes everywhere, sings in a choir, and regularly rewards himself with a great craft beer.

Gordon Babe – *appointed to the Board 26 November 2022*

Member No: 625

Joined: 28th August, 2020

Gordon is an experienced board member and corporate/commercial lawyer with a passion for craft beer, and a belief that our co-operative setup makes us special. He's served on the boards of community organisations as well as private businesses, and for over a decade in his day job he has been trusted to advise and represent everyone from working people to multi-million dollar organisations. Within Hopsters he's previously volunteered on the marketing committee, among a number of other active contributions.

Kieran Bowles – *appointed to the Board on a casual basis 9 February 2021 (Board Meeting). Ratified at 23 October 2021 (AGM). Appointed Company Secretary at the 13th December Board Meeting, 2022*

Current Company Secretary

Member No: 560

Joined: 3 November 2019

Kieran works as a System, Performance and Sustainability manager. Well versed in scoping and initiating projects, establishing budgets, managing contractors and projects delivery and commissioning, as well as engaging with stakeholders and leading a team. He has a degree in



Mechatronics Engineering, holds an RSA license and is a regular front of house staff member in the Hopsters taproom. He is passionate about craft beer and makes his own at home.

Sarah Hall – *appointed to the Board 23 October 2021 (AGM)*

Member No: 293

Joined: 5 November 2018

Originally from the UK, Sarah arrived in Australia in 2004 and is now the owner/director of a successful, Sydney-based boutique recruitment consultancy. Prior to joining the Hopsters board, she volunteered on our Marketing Committee and is also involved in another Inner West volunteer-based organisation. A craft beer lover who has experience in Marketing/BD/Sales & client relationship management, Sarah's favorite Hopsters beer is the Sequoia Cascadian IPA from the Hopsters/Frenchies Cool Kids range.

● 11 Previous Directors

We wish to thank the following past Directors for their service. These are their biographies published when they were in office.

Monica Kiraly - *Appointed 2023 AGM. Resigned July 2024.*

Member No: 851 Joined: June 2023

Monica Kiraly is a seasoned management and leadership consultant, having served on boards of other organisations, and worked with numerous businesses to transform their leadership to enable them to build and grow through change. Monica is also a passionate runner and fitness enthusiast.

Ben Dunn - *Appointed (most recently) July 2023, as a casual board member, having previously served on the board. Resigned June 2024.*

Member No: 118

Joined: 13 Jun 2017

Ben is a foundational member of Hopsters, one of the original serving board members from the early days, and a true craft beer appreciator, with the Coop principles at heart. When he's not working on building the Hopsters dream, Ben is a consulting business analyst, with a wealth of experience in project management and business governance, who enables organisations to make data driven decisions that ensure they achieve their objectives.

Johanna Somerville – *appointed to the Board 24 October 2020 (AGM). Appointed Chairperson at the 13th December Board Meeting, 2022. Resigned 2023 AGM.*

Current Chairperson



Member No: 607
Joined: 30 April 2020

Strategic and dynamic, Johanna is an experienced manager who works at the intersection of creative and commercial as a Producer and Network Executive. Experienced in strategic leadership, market analysis, pipeline development, negotiation, schedule and budget oversight, customer service, and management of creative and technical teams. Johanna is passionate about quality food, wine and beer with a background in food policy, experience in the wine industry and food retail and an ongoing interest in contributing to culinary culture. At Hopsters Johanna is a board member, she sits on the brewing and member engagement committees, leads the technology committee and works behind the bar.

Julie Brogan – *appointed to the Board as a Casual Board Member January 2023*

Member No: 665
Joined: November 2020

Julie is a career business development and global sales professional, working with a multinational brand across a portfolio spanning several countries. When not travelling for work, Julie is a craft beer enthusiast, and frequently gets behind the Taproom taps at Hopsters.

Mauricio Salazar – *appointed to the Board 20 July 2022 as a Casual Board Member. Appointed to Board at the 26th November, 2022 AGM. Resigned Feb 2023.*

Member No: 665
Joined: 20th October, 2020

Mauricio is an engineer working in the power and heavy engineering industries. He has years of experience developing and implementing strategic plans in power generation, mining, and oil & gas in Europe, North America, Latin America, Southeast Asia and Oceania. Originally from Mexico, he lived in Spain and the USA (where his passion for craft beer was born), before arriving in Australia in 2016.

Brendan Wilson – *appointed to the Board 24 October 2020 (AGM). Appointed Company Secretary 22nd January 2021, and reappointed 2nd November 2021 (board formation meeting). Resigned 26th November, 2022*

Member No: 531
Joined: 11 January 2019

Brendan has had a career assisting business leaders enable their organisations to innovate and grow using the power of technology. Experienced in sales, marketing, business case development, event and virtual team (people) management. Member of the Hopsters bar staff and brewing



committee, and hosts learn to homebrew classes. Brendan has Bachelors and Masters Degree in Business and IT, as well as industry certifications such as WSET Level 1 Sake, Certified Beer Server, RSA, IBD General Certificate of Brewing, and currently undertaking the NSW TAFE Microbrewing course.

Andrea Watkins – *appointed to the Board 23 October 2021 (AGM) resigned 3rd August, 2022*

Member No: 197

Joined: 13 August 2018

Andrea is an experienced community worker, volunteer manager and educator, having spent over 15 years working with member-based, for-purpose organisations. Andrea holds qualifications in Social Work and in Training and Assessment, and is currently undertaking a Diploma of Governance with the Institute of Community Directors Australia. Andrea loves the community element of craft beer and is passionate about helping people find ways to connect to and grow our Co-operative

Henry Midgley – *appointed to the Board 26 October 2019 (AGM). Appointed Chairperson 2nd November 2021 (board formation meeting). Resigned 3rd June 2022*

Current Chairperson

Member No: 473

Joined: 16 April 2019

A recent MBA graduate from Warwick Business School, one of the top Business Schools worldwide, Henry also possesses a Bachelor of Commerce in Economics and a Bachelor of Science in Chemistry. Experienced in roles across accounting, analysis, relationship management, sales, consulting and operations, he's a clear asset to the cooperative's leadership.

Matthew Hart – *appointed to the Board 23 October 2021 (AGM). Resigned 3rd June 2022*

Member No: 738

Joined: 21 April 2021

Matt has a background in Consumer Goods, Beverages and Liquor having worked in sales, marketing and commercial roles in both Australia and the UK. Matt's experience includes working with Beer, Wine and Spirits brands in the on and off trade, and more recently in large scale events. Matt brings a love of beer to Hopsters, and a love of the occasions that beer makes great! Matt is a member of the Sales Committee at Hopsters. He has a Bachelor's Degree in Economics, a Masters Degree in Marketing, NSW RSA license, is a NSW Justice of the Peace, and is a Graduate of the Australian Institute of Company Directors.

Maya Engelbrecht – *appointed to the Board 4 June 2018 - 23 October 2021.*

Current Chairperson



Member No: 23

Joined: 8 December 2016

Maya is a business professional focused on solution design and delivery of complex projects, having worked across a wide range of industries and sectors. She has a thorough understanding of business processes and possesses exceptional resource planning skills to provide Hopsters Co-op a solid foundation for growth. She also heads the Hopsters Co-op's Marketing and Communications Committee, she is a pillar of our co-operative and community and has transformed the approach Hopsters Co-op has taken regarding member engagement.

Carl Harriman – *appointed to the Board 24 Nov 2018 - 23 October 2021.*

Member No: 108

Joined: 5 May 2017

A seasoned teacher of Business and Marketing, Carl is a passionate advocate of a customer-centric approach in building the Hopsters Co-op brand. Having owned and managed his own business, he brings valuable first-hand experience in brand building and is focused on developing a trusted and well-respected brewery.

Carl is on the Marketing committee and leads our online presence.

Byron Lotz – *appointed to the Board 24 November 2018 - 23 October 2021.*

Member No: 19

Joined: 3 December 2016

Byron is an extremely eager beer enthusiast (Level 4 beer nerd); Homebrewer, member of most inner west and western Sydney homebrew clubs, and active on several Hopsters Co-op committees. By day he's a small animal veterinarian dealing with stressful and sensitive matters while maintaining a smooth-running clinic.

Byron heads the Brewing and Sales and Distribution committees.

Ben Dunn – *appointed to the Board 24 October 2020 (AGM) - 22 January 2021 (Board Meeting)*

Former Secretary

Member No: 118

Joined: 13 Jun 2017

A consulting Business Analyst with 15 years working in Superannuation and Telecom. Ben has a strong understanding of Trust law and Trustee governance structures and their responsibilities for protecting member interests as well as substantial knowledge of risk and compliance frameworks. Ben was previously a board member of the Cooperative from 29 Nov 2017 – 10 Oct 2018.

Eva Ng – *appointed to the Board 26 October 2019 (AGM) - 24 October 2020 (AGM)*



Previous Company Secretary

Member No: 338

Joined: 29 Aug 2018

Eva is a motivated, dedicated, and idea-filled beer lover who has strong, clear visions for driving the co-operative forward. She brings 25 years of deep passion for craft beer culture, history and the science of brewing, and is motivated to create a more inclusive, diverse community through beer education initiatives.

Peter Tregilgas – *appointed to the Board 26 October 2019 (AGM) - 24 October 2020 (AGM)*

Member No: 516

Joined: 23 May 2019

Peter possesses wide-ranging experience in creative innovation including regional development, arts management, festival co-ordination, social enterprise and is a specialist in start-up cultural and not-for-profit ventures. He has held many high ranking roles, including Exec Officer of Regional Development Australia, Director of Adelaide Festival Fringe, festival consultant to the Victorian Tourism Comm, and inaugural Director of Tandanya – National Aboriginal Cultural Institute.

Anton van den Berg – *appointed to the Board 26 October 2019 (AGM) - 24 October 2020 (AGM)*

Member No: 260

Joined: 28 August 2018

You may recognise Anton as the man behind Small Batch Brewing. Not only passionate about enjoying great beer, he has impressive and solid technical understanding to match: A recently completed Certification in Micro Brewing at TAFE NSW, a certified Cicerone Beer Server, and in the process of obtaining his Cicerone qualification. Professionally, he has spent 20+ years leading marketing teams for numerous brands, and now wants to put those skills toward helping Hopsters Co-op beer range become a household name.

Dane Glerum – *appointed to the Board 26 October 2019 (AGM) - 24 October 2020 (AGM)*

Member No: 510

Joined: 17 May 2019

Dane has a real passion for community and working within organisations that balance profit and purpose. His experience extends across technology, management, for-profit and not-for profit environments, and his qualifications include BSC psychology and Info Systems, Mental Health First Aid, Digital Director for a not-for-profit. He's also an amateur brewer and has done stints bartending in his younger days.

Robert Kerr – *appointed to the Board 26 October 2019 (AGM) - 24 October 2020 (AGM)*



Member No: 180
Joined: 12 July 2018

A qualified Finance Professional with a background in Marketing and Finance, Robert brings a valuable set of skills to the co-operative. He's also a keen home brewer with aspirations for greatness, both for his creations and for Hopsters, and is a staple at many of our excellent events.

Belinda Seers – *appointed to the Board 24 Nov 2018 - 16th September 2019*

Member No: 228
Joined: 18 August 2018

Previous Company Secretary

Belinda comes to Hopsters Co-op as a well-accomplished and knowledgeable business leader, with expertise in relationship building, marketing, and driving complex projects. She exemplifies the community spirit and culture for which Hopsters Co-op, and its home of Sydney's inner west, is renowned for, and is excited to be fostering these values from her position on the Board.

Peter Donahue – *appointed to the Board 24 Nov 2018 – 9th September 2019*

Member No: 87
Joined: 28 February 2017

Peter brings a wealth of brewing industry knowledge to the co-operative, having sat as a shareholder and Director of Balmain Brewing Company for over 5 years. He's a true champion for high quality and independently produced craft beer, dedicating countless hours to both Balmain, and of course Hopsters Co-op's, brewing operations. Incredibly, he does this all on top of his career as a self-employed medical specialist.

Mitchell Hobbs – *appointed to the Board 26 Nov 2016 - 26 October 2019 (AGM)*

Member No: 7
Joined: 12 December 2016

Mitchell Hobbs has held a variety of roles in the beer and alcohol industry for more than 7 years. He has experience in retail management and craft beer sales having been a representative for some of Australia's best known craft beer brands.

Mitch has thrown himself into Hopsters Co-op with absolute commitment and has made a significant impact into the growth of the business, particularly with his strong sales focus.

Tony Metcalfe – *appointed to the Board 24 Nov 2018 - 26 October 2019 (AGM)*

Member No: 221
Joined: 15 August 2018



Currently Head of Continuous Improvement for Unipart Group, a worldwide 4PL logistics company, Tony has held many positions including compliance manager, lead auditor, and head of risk management. He has extensive experience of strategic management and is responsible for delivering the annual corporate plan.

Tony is on the Finance and Admin committee.

Marco Vargas *21 Oct 2016 – 12 Aug 2019*

Member No: 1

Joined: Founding Member

Marco was elected Chairman of the Hopsters Co-op Board when it came into being on 21st October 2016. Marco is a serial entrepreneur with a focus on hospitality projects mostly on the serviced apartment and short-term stays markets.

Marco is a craft beer aficionado and the initiator of the Hopsters project. Marco has a burning ambition for Hopsters Co-operative Brewery to become the most dynamic and enterprising Co-operative Brewery in the world.

Marco's favourite part of being a part of Hopsters Co-op is the people. All walks of life can come together and connect to exchange great ideas over a glass of beer

Mick Harrigan *24 Nov 2018 – 8 Aug 2019*

Member No: 192

Joined: 06 August 2018

Mick is our finance superstar, currently Chief Financial Officer for one of Australia's largest privately owned telecommunications companies. His extensive experience has seen him work with many small and medium sized businesses, planning and executing corporate growth strategies. Not just a "boring accountant" (his words), outside of the office he's an enthusiastic brewer of both fine beer, and artisan coffee.

Peter Knock *16 Sept 2017 – 22 Oct 2018*

Member No: 55

Joined: 13 December 2016

Peter is an awarded and applauded CEO and senior retailer, specialising in digital transformation within disrupted markets. From creating and developing start-up's to working with some of Australia's largest public and privately-owned companies, including Myer, Dymocks, Thrifty and the Co-op. He is recognised by Inside Retail and Deloitte as one of Australia's top 50 people in E-Commerce in 2015 and 2016. Peter is now with St Vincent de Paul Society NSW as Executive Director of Central Councils and Commercial Operations which operates 250 Vinnies Shops, recycling and export businesses.

Peter also ran Australia's largest Co-op (by members) for nearly 4 years. Peter was also a Director of the Business Council of Co-operatives & Mutuals, BCCM.



Ross Howden 21 Oct 2016 – 22 Oct 2018

Member No: 4

Joined: Founding Member

Ross Howden is a senior executive with deep management expertise, working in senior operational, project management & leadership roles within the entertainment/digital technology space for almost twenty years.

Ross has worked in strategic planning and operational roles within Foxtel and senior digital project management roles within the BBC and the Australian Broadcasting Corporation. He also has significant experience in film and television finance and distribution and was a founding player in the video streaming area.

Michael O'Shea 21 Oct 2016 – 16 Aug 2018

Member No: 5

Joined: Founding Member

Michael is passionate about craft beer and is a home brewer. As a founding member, he has consistently contributed many hours and skills to help establish the co-op. He wants to see Hopsters Co-op become a vibrant and welcoming new community space for Inner West.

Michael is a senior finance professional and a CPA with many years' experience in leadership, people management, financial control, product management, equipment finance, credit and lending. He brings these valuable skills to the Board. Michael also has had experience being part of other cooperative committees in the areas of sport and leisure.

Ben Dunn 29 Nov 2017 – 10 Oct 2018

Member No: 118

Joined: 13 Jun 2017

Ben is a Superannuation professional and has worked in the Superannuation industry for 15 years. He has extensive knowledge of fund operations and Trusteeship. Ben's involvement in the superannuation industry has given him a member first philosophy that he intends to bring to Hopsters Co-op.

Ben's has held senior roles in client services and project management offices at various financial institutions. In addition, Ben is an avid home brewer and is passionate about craft beer.

Scott O'Brien 15 Apr 2017 – 6 Aug 2018

Member No: 16

Joined: 6th Dec 2016



Scott is a professional brewer working with an Australian independent brewery. He also has 15 years experience as a mechanical engineer specialising in filtration and pressure vessel equipment design. With over 20 years of brewing knowledge his focus is to ensure Hopsters Co-op produced world class beers and have the best value for money brewery equipment possible.

James Nugent *21 Oct 2016 – 26 Nov 2016*

Member No: 6
Joined: Founding Member

Mary Lancuba *21 Oct 2016 – 26 Nov 2016*

Member No:
Joined: 21 Oct 2016

Rob Lancuba *21 Oct 2016 – 26 Nov 2016*

Member No: 37
Joined: 21 Oct 2016

12 Hopsters Co-op Continuing Disclosure

The following is a living section of this disclosure statement and contains descriptions of current strategic objectives, activities, exposures and changes to the co-operative. History from previous disclosure statements is included for completeness. Most recent updates are presented first.

- **Update July 2024**

Two directors resigned, leaving two board positions vacant. With a further two serving directors to complete their three year terms and retire from the board at the upcoming AGM, the Hopsters Board determined to call notice of the AGM and announce the vacant positions becoming available.

The board determined to seek casual board position applications, to ensure the cooperative continues to be governed effectively, and that the transition of board members in and out of positions is can be managed effectively.

- **Update November 2023**

Hopsters staff and board have primarily continued the focus on growing the coop post Covid, navigating the economic challenges, through attracting a growing patronage to the Taproom,



adding new beers and sales channel offerings, to sustainably drive the business forward, to help enable the buildout of the Hopsters vision of on-prem brewing.

Changes to the board included; Brendon Wilson retired from the board at the 2022 AGM. The board thanks him for his tireless efforts and passion for craft beer, and the cooperative principles. Julie Brogan was appointed to a casual board vacancy in Jan, and brought with her a wealth of sales expertise as well as member engagement. During the period, Mauricio Salazar resigned in Feb 2023 due to work and personal reasons, and the board thanks him for his commitment during his tenure. Bruce Cech was appointed to a casual board position in October 2023.

- **Update July 2022**

Andrea Watkins, Member Engagement Committee Lead and Director, had resigned. Casual board vacancies were filled by Andrew Burnard and Mauricio Salazar.

- **Update June 2022**

Henry Midgley, Chairperson and Finance Committee Lead, and Matthew Hart, Director, resigned from the board on 3rd of June due to personal reasons. The remaining board members wish Henry and Matt all the best and thank them for their efforts. The board will look to fill the vacancies with casual directors.

- **Update May 2022**

The NSW government has lifted a number of public health order restrictions which has seen the taproom trade without limits to density. Hopsters is now paying its full monthly rent, and continues to pay the agreed rent deferral from the previous agreement (*see: Update February 2021 below*). In March 2022, Hopsters upgraded its beer dispensing system at a cost of \$5,225.53 inc GST

- **Update October 2021**

Through the lockdown period, Hopsters was successful in obtaining government support grants that were made available via the NSW Government. Grants included access to the JobSaver program and COVID-19 Business Grant. Hopsters' sole staff member was able to access the Disaster Relief Payment from the Commonwealth Government. In addition, Hopsters was able to seek a 50% waiver of rents due during the period (starting 13th of July) as outlined by the mandate issued by the NSW Small Business Commissioner. Hopsters also worked with its suppliers in negotiating payment plans where appropriate.

The planned reopen date for the Hopsters taproom is scheduled for the 11th of October, in line with the NSW COVID-19 recovery roadmap. Hopsters will operate to reduced conditions as per public health orders, and look to ramp back operating hours to pre-lockdown times.

Hopsters was also successful in receiving approval from NSW Fair Trading on its application to issue Unsecured Notes to the value of \$1000 per note. The period for the Unsecured Notes is from 30th of September, through to March 30, 2022.



- **Update August 2021**

The second wave of the COVID-19 pandemic with the delta strain meant that Greater Sydney went into lockdown in June and continues to have an impact on the Hopsters business. The taproom has been closed in line with public health orders, but opened occasionally for customers to purchase take away beer. Online sales have picked up during this time. The current lockdown period is due to conclude at the end of August.

The Hopsters Board has been meeting weekly to action any tasks required as changes to health orders, restrictions and access to government funding changes. The Hopsters Board has applied for the available government relief packages to support the business during this time. The Hopsters bar manager is on reduced hours until such time normal trading conditions resume.

Hopsters are lodging the Unsecured Notes Disclosure Statement with NSW Fair Trading with the view of offering members and the public an opportunity to invest in the next round of funding.

- **Update February 2021**

Following the resignation of Ben Dunn from the Board and of the role of Company Secretary 22 January 2021, the following occurred:

- Kieran Bowles accepted a casual Board position minuted at the board meeting 9 February 2021
- Brendan Wilson became Company Secretary

The co-operative has negotiated a payment plan to repay the rent deferred during the COVID-19 period, starting from the period of July 2021. The repayment plan consists of paying down the ~\$12,000 debt via monthly repayments of \$500 commencing July 2021.

- **Update October 2020**

Following the AGM on 24 October 2020, the following directors stood down:

- Peter Tregilgas
- Anton van den Berg
- Rob Kerr
- Eva Ng

Members voted to reduce the existing number of directors from 9 to 7. Three (3) new directors were voted in at the AGM:

- Brendan Wilson
- Ben Dunn
- Johanna Somerville

- **Update September 2020**

Taproom opened in March 2020, however due to Covid restrictions, the taproom was subsequently closed in March 2020 before reopening under reduced capacity in June. Mitch Hobbs was employed from 7th March 2020 as licensee.



The Board approved additional funding through an unsecured COVID Business Support Loan of \$20,000 to provide additional financial security over the Covid lockdown.

- Interest is accrued but not payable for first 6 months
- 4.5% variable rate
- Maximum 3 year term
- Dane Glerum resigned 11th August 2020
- Peter Tregilgas, Anton van den Berg and Robert Kerr have tendered their resignation, effective from the FY2020 AGM.
- The co-operative was ineligible for any federal or state financial support during Covid and also ineligible for the Jobkeeper allowance due to having no employees as at 1st March 2020.
- The co-operative negotiated a 50% reduction in rent for 5 months. Repayments of the balance will be negotiated by both parties as trading returns to normal.

At the 28th of January 2020 Board meeting, in the interests of ongoing transparency the board agreed to keep a register of financial commitments. Listing one-off approvals over \$5,000 and ongoing expenses with an annual cost greater than \$1,500. Significant income transactions are also included. Reportable transactions in this update are as follows:

- Expenses above threshold 08/09/2020 \$11,321.31 to brew and can Hopsters Pale Ale at Rocks Brewing.

Current Goals:

- Manage the co-operatives finances to ensure the business remains solvent under the uncertainty of the COVID-19 pandemic.
- Develop the taproom infrastructure, beer-list and events, to be more appealing to members and the public and grow taproom profits
- Produce and distribute packaged and kegged beer for members (on our own equipment, via a "gypsy" or contract brewing arrangements, or as a collaboration)
- Investigate the costs associated with developing an on-site micro brewery for producing beer for the bar.
- Hold members events, subject to COVID-19 restrictions.



- **Update March 2020**

Expenses above threshold	Income above threshold
7/9/19 building works - \$4960 (note, technically below threshold)	16/9/19 received \$17,924 from possible campaign for Pale Ale
18/9/19 paid \$17,687 to Frenchies for Pale Ale brewing	22/10/19 GST tax refund \$4989 related to phase I building costs (technically below threshold)
24/10/19 insurance lease outgoing \$4489 (technically below threshold)	Dec/Jan fund raising from undisclosed notes \$89,000
15/10/19 Next Level Construction \$78691	22/1/20 GST refund \$8,212.00
19/12/19 rent increases to \$4909.65	
7/1/20 next level construction \$10,994.65	
13/1/20 next level construction \$68,838.38	
17/3/20 Lancer tap installation 11,058.11	

- On 17/1/20 the board purchased management liability insurance at a cost of \$1,475. The board fully reimbursed Hopsters for this expense
- As at 24th February 2020 building works for the 198 Enmore road taproom is completed. Work is underway to secure relevant council approvals (primarily an 'occupancy certificate') so trading can commence.

- **Update December 2019**

Based on existing quotes of \$153,000 and existing funds of \$85,000 the board determined that the cooperative required additional funding to complete the taproom renovation. After consideration of possible options, the board approved the issuance of up to \$150,000 of unsecured notes, paying a flat rate of 7% p.a. The unsecured notes issue was approved by NSW Fair Trading on 9 December 2019, with \$89,000 raised through the cooperative's membership.



- **Update August 2019**

Mick Harrigan and Marco Vargas have stepped down from the Board of Directors. Maya Engelbrecht was voted the Chairperson until the next AGM.

Marco Vargas and Byron Lotz have declared an interest in 12 Taps, an enterprise that will have 2 venues in Marrickville and Glebe with a small bar and restaurant licence respectively. The Board has voted that Byron should remain on the Board as Byron serves a fundamental role in heading the Sales and Brewing committees. The Board has determined that in their opinion there is no conflict of interest in Byron's interest in Hopsters Co-op and 12 Taps, and that the association offers the benefit of having an outlet for Hopsters Co-op's beer.

It should be noted that this vote was not unanimous, and some Board members have raised concerns over the timeliness of the disclosure. One Board member has raised an objection that a conflict of interest exists.

Members will be informed of these events and an updated disclosure statement will be made available on the Hopsters Co-op website.

- **Update June 2019**

Hopsters Co-op has entered into a contract with Tim Samuel Designs to do initial construction work at 198 Enmore Rd, Enmore, NSW, 2042. The contract is for Stage 1 only and includes site preparation, electrical, plumbing and bathrooms.

- **Update December 2018**

Belinda Seers was voted Secretary at the first Board Meeting following the AGM in Nov 2018.

- **Update November 2018**

The following Directors were appointed at the AGM held on 24 Nov 2018: Belinda Seers, Byron Lotz, Peter Donahue, Carl Harriman, Mick Harrigan, Tony Metcalfe.

- **Update October 2018**

Ben Dunn, Peter Knock and Ross Howden have stepped down from the Board of Directors. Peter Knock and Ross Howden were required to vacate positions under Section 179 2(b) of Co-operative National Law 2012 No 29. In this section "A Director vacates office" ... "if the Director absents himself or herself for 3 consecutive ordinary meetings of the Board without its leave".

- **Update April 2019**

Hopsters Co-op has been granted an on-premise consumption of alcohol licence at 198 Enmore Rd, Enmore, NSW, 2042.



- **Update August 2018**

Hopsters Co-op has entered into a 5-year lease of premises at 198 Enmore Rd, Enmore, NSW, 2042.

Scott O'Brien and Michael O'Shea have stepped down from the Board of Directors. It should be noted that Michael's resignation letter states the reason for his resignation is due to the unacceptable and unprofessional behaviour by another Board member.

- **Update Jul 2018**

Hopsters Co-Operative Brewery is the first brewery in Australia established under the Co-Operative Principles. It is a place to meet like-minded craft beer lovers who share a similar commitment to sustainability, community, education and above all, member driven beer.

Hopsters Co-op has been pleased with the membership take up rates since the launch of the Co-Operative, however, the rate of take up is below the initial target set by the Board of 250 members by 31st March 2017.

It is evident by the rate of take up that membership fees alone will not generate sufficient capital to achieve our ultimate goal of building Hopsters Co-op own commercial brewery and tap room.

The Board of Hopsters Co-op has never anticipated that membership fees alone would provide all the required capital to achieve our end goal. While some members have purchased additional shares, ongoing efforts to raise membership and capital are required to continue to pursue the goals of the co-operative.

We intend to develop supportive relationships and partnerships with other local, Australian and international Co-Operatives (particularly those Co-Ops in related industries such as Co-Operative bottle shops).

Funding the Brewery and Tap Room

The current goals of our Co-Operative over the coming months leading up to the end of 2018 are to:

- Produce and distribute packaged and kegged beer for members (on our own equipment or via a "gypsy" or contract brewing arrangements)
- Raise additional share capital to fund the brewery through additional member investment or other external financing sources or a combination of these funding sources
- Secure a venue suitable for a tap room and the brewery
- Build and open a brewery and tap room before summer 2018
- Establishing a brewing environment that allows for ongoing education for our members
- Provide the equipment and tools for our Head Brewer to produce the best quality craft beers using our members' recipes

We believe that a small microbrewery arrangement combined with a 50 to 60 person capacity tap room is the ideal initial environment to service these goals.



The proposed initial brewery configuration includes Hopsters Co-op existing 200L system as well as an additional 3 x 200L and 2 x 400L fermenters.

The Board is continuing to work on the business planning, membership drive and securing funding sources with a plan to set up Hopsters Co-op own venue in late 2018 / 2019.

We have estimated how much money it will take to build the Brewery and Tap Room. We now need to demonstrate how we can obtain the necessary capital to achieve our goals.

Hopsters Co-op will need to spend funds on expenses that will not be recoverable if the tap room does not proceed. If the tap room is not able to proceed at the Enmore Road location, for example, Hopsters Co-op could potentially lose \$3,300 in a rent holding deposit and up to \$6,000 or more in development and licence applications, plus any other professional services fees associated with preparing to lodge the development application. These are real financial considerations and potential risks associated with activities to try and secure a commercial venue for Hopsters Co-op.

Preconditions for a Tap Room & Brewery

- Available premises for brewery and taproom to be located.
- The Landlord of the building has given in-principle support to its development as a craft brewery and tap room
- A signed lease
- Engagement of a town planner
- The town planner will also coordinate with a PCA (private certifier) to assess the likelihood of an approval of a complying development application
- Development approval from the Inner West Council will be required
- All required ATO licences to produce alcohol excise will need to be obtained
- All NSW Office of Liquor, Gaming and Racing (OLGR) liquor licences for on-premise and on-line sales will be required
- An amount of \$250,000 is required to cover the cost of initial setup of the brewery, tap room and the cost of the DA and liquor licence applications
- The amount of capital is an estimate based on the initial brewery proposal plan and is subject to a more detailed assessment during the design phase of the project and will take into considerations negotiations with the Landlord in relation to scale of building improvements that are completed prior to taking leasehold possession

If any of the preconditions listed above are not able to be satisfied in the first instance, the co-operative will use any funds obtained to continue looking for a suitable site that is able to meet our goals. The co-operative may also consider winding up and a returning of any capital not used in achieving any DA, licence or other preconditions to members.

Memberships



Hopsters Co-op current assets and cash balances have been built on the sale of memberships and membership in the Hopsters Co-Operative will always play an integral part in our fund-raising efforts.

Additional Member Shares

Existing Hopsters Co-op members will be provided with a facility and this disclosure documentation that will allow for the purchase of additional shares.

Many existing members are expressing an interest in having the option to purchase additional shares and it is a Board priority to implement a system that allows for this.

Hopsters Co-Operative Brewery Limited is a distributing Co-Op which allows the Board to declare dividends if the business is sufficiently profitable and has the cash flow to support payment without detriment to the financial position of the business.

Hopsters Co-op will use the funds raised from any additional shares sold to meet the goals set out in this document and our Business Plan.

Pre-Purchased Beer Sales

Initial packaged beer sales to members will be managed through pre-sales campaigns. This will be done to help manage the demand and cash flow in order to commit to larger contract brew costs to fulfil the orders.

Crowdfunding campaigns

Hopsters Co-op intends to run selective crowdfunding campaigns to support the purchase of specific equipment from time to time. This has been a successful strategy for a number of craft brewers who have garnered support from their customers and community.

Brewing

Hopsters Co-Operative Brewery currently owns a 200 litre brewing system that is being used to pilot and test demand for beer sales amongst our members. This system will also be used to enable a limited amount of beer in kegs to be sold to Sydney craft beer venues.

In addition to the core "Founders" range of beers, our purpose is to allow members to directly participate in the beers that carry the "Hopsters Co-op" name by voting on styles, submitting recipes, and through participation in our homebrew competitions.

- **Update Jun 2018**

Maya Engelbrecht has joined the Board after serving on the Marketing committee since Feb 2018. She is responsible for welcoming new members and produces the monthly newsletter.



- **Update Nov 2017**

Hopsters Co-op is working toward raising the capital and locating a place to construct a small-scale brewery in a leased premise. The brewery will also contain a tap room where members and non-members may purchase beer and other beverages for consumption in those premises or take away.

It is intended that the premises will also be used to conduct brewing and other education classes for Hopsters Co-op members and other members of the community.

The brewing will be done by a brewer employed or contracted by the co-operative and assisted by volunteer members until such time as there is sufficient cash flow to employ other staff.

Hopsters Co-op will also make use of other established breweries to do contract brews for packaged beer and kegs until such time as there is sufficient capital and other resources to establish our own venue.

There will be a General Manager employed by the co-operative whose responsibilities will include the purchase of equipment, materials and other resources needed to brew, and the general maintenance and operation of the brewery and taproom facility.

Members and the community will be able to purchase products and services from Hopsters Co-op either at the brewery or online.

Members will receive regular newsletter updates outlining available products, events, promotions and other information relevant to craft brewing from time to time.

Hopsters Co-op has also been engaging members to begin developing the core beer range, and this has resulted in the first 3 core beers (IPA, Saison and Pale Ale).

Members are invited to submit entries into the Hopsters Co-op home brew competitions. The beers are professionally judged against the Beer Judge Certification Program (BJCP) style guidelines. The first three winning beer recipes have then formed part of the proposed core range of Hopsters Co beers – Founders Range. These are a Pale Ale, an IPA and a Saison.

To celebrate the winning beers these Founders Range beer recipes, along with some of the other winning beers, have been brewed and put in small kegs then placed on tap at a few local supportive venues. The kegs have been made available at exclusive member only Hopsters Co-op tasting events.



- **13. Appendix: Summary of required information**

Points a - f in this section are directly taken from the cooperative national law and are the minimum amount of information required for the Disclosure Statement.

- **(a) Costs of formation**

Line Item	Cost
ASIC Registration fees	\$469
Business Name Registration	\$80
Legal fees	\$1200
Estimated formation costs	\$1749

- **(b) the active membership provisions of the proposed co-operative**

To establish and maintain active membership of the co-operative a member must

Purchase a minimum value of \$100 worth of goods or services from the co-operative each financial year, or

Participate in a beer brewing class or event at least once each financial year.

- **(c) the rights and liabilities attaching to shares in the proposed co-operative;**

Shares in Hopsters Co-op gives owners the following rights and liabilities: these should be read in conjunction with the Rules of the Co-operative which are available on the Hopsters Co-op website and are attached to the Disclosure Statement.

Most of the rights and obligations that members will have access to pertain to membership, rather than shareholdings. In order to be a member, you must own at least 5 shares. If you choose to own more than 5 shares, you do not obtain any additional votes or membership rights. A share in the co-operative does not carry a vote. The right to vote in the co-operative is attached to membership and governed by section 228 of the Law.



Rights and Obligations of Members and Shareholders

- A member is entitled to a copy of the Rules
- Members are obliged to fulfil the active membership requirements set out in section 6 of this Disclosure Statement.
- The right to attend and vote at each annual general meeting on all resolutions presented, including the appointment of Directors to the Board of Hopsters Co-op. Voting powers and the different methods of voting are covered in sections 32-46 of the Rules.
- The right to stand as or nominate potential Directors in accordance with section 47 of the Rules
- The right to require the Board to call a general meeting of the co-operative on the requisition in writing by members who together are able to cast at least 20% of the total number of votes able to be cast at a meeting of the co-operative.
- The right to distributions determined by the Board at a time when it is financially viable for Hopsters Co-op to make such distributions.
- Members of the co-operative have free access rights to the records and registers referred to in section 214 (1) of the Law and they may make a copy of any entry in the registers. Members do not have access to the minutes of Board or committee meetings but may request access to any such minutes in writing addressed to the Board.
- Rights to basic minimum financial statements as set out in the National Regulations. The financial reports or statements required by the Law to be given to members vary according to the size of a co-operative in a given year.
- Rights to any property after the satisfaction of all the co-operative's debts and liabilities (including the refund of the amounts paid up on the shares), on winding up of the co-operative in proportion to the member's shareholdings*.
- Shares can be transferred to other parties, including via a member's estate, subject to Board approval and the transferee's active membership*. A member who has sold or transferred, or disposed of the beneficial interest in, all the member's shares, or has agreed to do any of those things, is not entitled to vote at any meeting of the co-operative.
- Members' have the right to request that their shares may be repurchased by the co-operative in accordance with the Law and only if the shares have been held for a minimum of 2 years*.
- A person's membership ceases upon bankruptcy and that person's shares may be transferred to the Official Trustee in Bankruptcy and dealt with under the provisions of section 95 of the Law. The liabilities attaching to the shares of a person under bankruptcy or mental incapacity continue in accordance with section 96 of the Law*.
- A person whose shares have been forfeited or cancelled under the rules stops being a member as membership is conditional on the holding of the shares. The co-operative has set-off rights against share capital as specified in section 127 of the Law.
- A member is liable to the co-operative for the amount, if any, unpaid on the shares held by the member, together with any charges, including entry fees and regular subscriptions, payable by the member to the co-operative under the rules. Hopsters Co-op intends to require payment for all shares upfront and for all goods and services as incurred.

**Rights pertaining to the shares rather than membership*



- **(d) the capital required for the co-operative**

The first round of unsecured loans (\$89,000) is due to be repaid in December 2021 / January 2022. Some existing unsecured notes holders (\$45,000) have opted to rollover their existing investment into a second round offer. Hopsters is currently issuing a second round of unsecured notes to facilitate the installation of the micro brewery, make improvements to the taproom, and provide liquidity for the repayment of the first issuance. The second round of unsecured notes is due to be repaid in December 2023 / January 2024.

The micro brewery is estimated to cost \$60,000-\$80,000 including equipment, plumbing, electrical and legal costs. The board will investigate options for these capital requirements.

The \$20,000 Business Support Loan is to be repaid by July 2023.

- **(e) current financial position**

The current financial statements are as follows:

HOPSTERS CO-OPERATIVE BREWERY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	30 Jun 23	30 Jun 22
Income from ordinary activities		
Sales	311,654	219,720
Other Income	23,609	40,301
Interest	383	84
Total Income	335,646	260,105
Cost of Sales	132,678	122,988
Gross Profit	202,968	137,117

**Other Expenses**

Advertising	1,682	2,752
Bank & transaction fees	4,665	3,596
Cleaning	3,408	1,498
Consulting & Accounting	744	755
Depreciation	15,074	14,585
Freight & courier	408	(561)
General expenses	4,675	1,020
Insurance	2,281	6,896
Interest expense	4,946	6,315
Legal expenses	222	1,697
Electricity & utilities	2,597	3,402
Motor vehicle hire	0	0
Office expenses	4,722	5,424
Printing & stationery	137	0
Rent	63,139	51,799
Repairs & maintenance	1,628	1,327
Subscriptions	1,804	703
Superannuation	10,861	6,722
Telephone & internet	947	1,189
Wages and Salaries	103,435	67,574
Total Other Expenses	227,375	176,695
Profit/(Loss) from ordinary activities before Income Tax	(24,407)	(39,758)



Income tax expense from ordinary activities	0	0
Profit/(Loss) from ordinary activities after related income tax	(24,407)	(39,758)
Net profit / (loss) at the end of financial year	(24,407)	(39,758)
Total changes in equity other than those from transactions with owners as owners	(24,407)	(39,758)



HOPSTERS CO-OPERATIVE BREWERY LIMITED
BALANCE SHEET AS AT 30TH JUNE 2023

	2023	2022
CURRENT ASSETS		
Cash at bank	39,676	45,720
Cash on hand	215	324
Accounts Receivable	397	3,397
Prepayments	(150)	(150)
Inventory	24,084	25,891
Total Current Assets	64,221	75,182
NON-CURRENT ASSETS		
Office equipment	3,034	3,284
Plant & Equipment	150,313	160,512
Intangible Assets	0	0
Total Non-Current Assets	153,347	163,796
TOTAL ASSETS	217,568	238,978
CURRENT LIABILITIES		
Accounts Payable	32,404	45,414
GST	699	(3,168)
PAYG Withholding Payable	5,911	4,804
Superannuation Payable	1,148	814
Wages Payable	1,261	1,261
Unsecured Notes	0	0



Business Loan	281	570
Total Current Liabilities	40,443	49,695
NON-CURRENT LIABILITIES		
Unsecured Notes	82,000	82,000
Members Capital	425,150	412,900
Business Loan	0	0
Total Non-Current Liabilities	507,150	494,900
TOTAL LIABILITIES	547,593	544,595
NET ASSETS / (LIABILITIES)	(330,025)	(305,617)
EQUITY		
Current year earnings / (loss)	(24,407)	(39,758)
Retained profits / (accumulated losses)	(305,617)	(266,039)
TOTAL DEFICIT	(330,025)	(305,617)



HOPSTERS CO-OPERATIVE BREWERY LIMITED
STATEMENT OF CHANGES IN MEMBERS INTERESTS
FOR THE YEAR ENDED 30TH JUNE 2023

	2023	2022
Member Shares Classified As Liabilities		
Opening balance	412,900	399,150
Member shares issued	12,250	13,750
Closing balance	425,150	412,900
Retained Profits / (Accumulated Losses)		
Opening balance	(305,617)	(266,039)
Net loss after income tax from continuing operations	(24,407)	(39,758)
Net Other Comprehensive Income from continuing operations	0	0
Closing balance	(330,025)	(305,617)
Total Members Interests	95,125	107,283

Note to Members Capital

Members Capital in a co-operative is classified as a Liability.

In the Hopsters Co-operative Rules *Section 11 (5) Monetary consequences of expulsion or resignation:*



If a deficiency exists, where deficiency means the amount of accumulated loss, deficiency or significant change disclosed in the last balance sheet of the co-operative, an appropriate proportion of the loss, deficiency, or significant change may be deducted from the amount of capital paid up on the shares of the resigning member.

In other words, if the Co-operative is in a loss position, a member who resigns will not get the full amount of their capital investment returned.

This is in keeping with IFRIC 2 which states that shares for which a member has the right to request redemption are normally liabilities. However, they are equity if:

- the entity has an unconditional right to refuse redemption, or
- local law, regulation, or the entity's governing charter imposes prohibitions on redemption.

(Source: <https://www.iasplus.com/en/standards/ifric/ifric2>)



Five Year Forecast

SALES PROJECTIONS

Sales	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)
Kegs - Hopsters	\$98,280	\$117,000	\$140,400	\$163,800	\$187,200
Kegs - Guest	\$182,520	\$182,520	\$197,730	\$212,940	\$212,940
Cases - Hopsters	\$54,340	\$59,280	\$59,280	\$64,220	\$69,160
Kegs - Wholesale Sales	\$8,060	\$16,120	\$32,240	\$48,360	\$64,480
Wine & Spirits	\$14,198	\$15,511	\$17,775	\$20,244	\$22,083
Merchandise	\$6,864	\$7,498	\$8,593	\$9,786	\$10,676
Total Revenue	\$364,262	\$397,929	\$456,018	\$519,350	\$566,539
Cost of Sales	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)
Kegs - Hopsters	\$23,150	\$27,560	\$33,072	\$38,584	\$44,096
Kegs - Guest	\$54,600	\$54,600	\$59,150	\$63,700	\$63,700
Cases - Hopsters	\$38,896	\$42,432	\$42,432	\$45,968	\$49,504
Kegs - Wholesale Sales	\$5,512	\$11,024	\$22,048	\$33,072	\$44,096
Wine & Spirits	\$4,260	\$4,653	\$5,332	\$6,073	\$6,625
Merchandise	\$6,178	\$6,749	\$7,734	\$8,808	\$9,608
Total Cost of Sales (Incl. Excise)	\$132,596	\$147,018	\$169,768	\$196,205	\$217,629
Gross Profit after Excise	\$231,667	\$250,911	\$286,250	\$323,145	\$348,910



EXPENSE PROJECTIONS

Operating Expenses	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)
Advertising	\$1,741	\$1,802	\$1,865	\$1,930	\$1,998
Bank Fees	\$4,818	\$4,987	\$5,161	\$5,342	\$5,529
Cleaning	\$3,527	\$3,651	\$3,779	\$3,911	\$4,048
Consulting & Accounting	\$770	\$797	\$825	\$854	\$884
Depreciation	\$16,574	\$18,074	\$18,074	\$18,074	\$18,074
Freight & Courier	\$465	\$529	\$602	\$685	\$780
General Expenses	\$4,839	\$5,008	\$5,183	\$5,365	\$5,552
Insurance	\$2,737	\$2,833	\$2,932	\$3,035	\$3,141
Interest Expense	\$5,119	\$6,300	\$6,300	\$5,340	\$5,340
Legal expenses	\$230	\$238	\$246	\$255	\$264
Light, Power, Heating	\$8,073	\$8,356	\$8,648	\$8,951	\$9,264
Office Expenses	\$4,887	\$5,058	\$5,235	\$5,419	\$5,608
Rent	\$70,400	\$72,864	\$75,414	\$78,054	\$80,786
Covid Deferred Rent Repayments	\$4,690	\$4,690	\$0	\$0	\$0
Repairs and Maintenance	\$5,685	\$5,884	\$6,090	\$6,303	\$6,524
Superannuation	\$11,333	\$11,713	\$12,743	\$13,835	\$14,993
Telephone & Internet	\$980	\$1,014	\$1,050	\$1,087	\$1,125
Wages and Salaries	\$107,417	\$111,553	\$115,848	\$120,308	\$124,940
Total Operating Expenses	\$254,286	\$265,350	\$269,995	\$278,746	\$288,848
Net Profit	\$ (22,618.82)	\$ (14,438.81)	\$16,255	\$44,399	\$60,062



NOTES AND ASSUMPTIONS

- The five-year projections have been prepared by Hopsters Co-operative Finance Committee and have been reviewed by and approved by the Hopsters Co-operative Board of Directors.
- Only the conservative projections are presented in this disclosure document.
- Although the direct effects of the COVID-19 Pandemic has passed, and Hopsters has been able to resume normal operating, the effects have delayed the business from reaching its previously forecast growth objectives, and there remains ongoing residual pandemic-related effects on the business (e.g. deferred covid rent repayments), and the broader industry as well.
- Despite the above, there is a clear path to profitability, using our most conservative assumptions.
- The power of a Co-operative and amazing member participation has shown that together, great things can be achieved, from building a Taproom, to mitigating the effects of Covid-19 restrictions.
- With continued member-funding to support our expansion into brewing on site (which is not intended to be funded through the 2023 issue), and continued expansion into new revenue channels and markets, the prospects look very promising.

Sales Assumptions

Sales Assumptions	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)
Hopsters Kegs P/w	2.1	2.5	3.0	3.5	4.0
Guest Kegs p/w/	3.0	3.0	3.3	3.5	3.5
Wholesale Kegs per week	0.5	1.0	2.0	3.0	4.0
Hopsters Cases p/w	11.0	12.0	12.0	13.0	14.0

Revenue Assumptions

Hopsters Kegs	Price per schooner	\$10
Guest Kegs	Avg price per schooner	\$13
Schooners per Keg		90
Keg wholesale Price		\$310
Typical Case Price		\$95
Wine & Spirit % of Sales		4.14%



- **(f) information about any contracts that may be required to be entered into by the co-operative**

Contract	Details
Lease of the premises	5 year lease signed for 198 Enmore Rd, Enmore, NSW, 2042
Building contract	Tim Samuel Designs. Phase 1 to complete site preparation, electrical, plumbing and bathrooms. Next Level Construction for completion of tap room
Lease and / or purchase of equipment	Equipment rental agreement with SilverChef for fridge and equipment for the taproom
Contract with brewery consultants	Consultancy may be required in relation to setting up the micro-brewery as part of obtaining an alcohol manufacturing license
Contract with town planners	Unlike to be required now that DA has been issued and approved for the taproom
Funding agreements	Business Support Loan from Bendigo Bank for \$20,000 Unsecured Notes issued to various members for \$89,000
Insurance agreements	QBE Insurance
Employment contracts	Employment contract for taproom manager and casual staff
License to produce alcohol	Australian Taxation Office
Small Bar license	Office of Liquor, Gaming and Racing – granted 29 Apr 2019
Packaged Liquor License (online)	Office of Liquor, Gaming and Racing – granted 4 May 2018



Banker	Bendigo Bank
Contract Brewing	Contract brewing sales agreements & terms

At the 28th of January 2020 board meeting, in the interests of ongoing transparency the board agreed to keep a register of financial commitments. Listing one-off approvals over \$5,000 and ongoing expenses with an annual cost greater than \$1,500. Significant income transactions are also included.

Expenses above threshold	Income above threshold
7/9/19 building works - \$4960 (note, technically below threshold)	16/9/19 received \$17,924 from possible campaign for Pale Ale
18/9/19 paid \$17,687 to Frenchies for Pale Ale brewing	22/10/19 GST tax refund \$4989 related to phase I building costs (technically below threshold)
24/10/19 insurance lease outgoing \$4489 (technically below threshold)	Dec/Jan fund raising from undisclosed notes \$89,000
15/10/19 Next Level Construction \$78691	22/1/20 GST refund \$8,212.00
19/12/19 rent increases to \$4909.65	16/4/20 GST refund (related to phase II costs) \$9247.00
7/1/20 next level construction \$10,994.65	
13/1/20 next level construction \$68,838.38	
17/3/20 Lancer tap installation 11,058.11	
08/09/20 \$11,321.31 to brew and can Hopsters Pale Ale at Rocks Brewing	
09/10/2021 agreement on Lancer tap upgrade of \$4469.31	