



HOPSTERS CO-OPERATIVE BREWERY
LIMITED GENERAL PURPOSE FINANCIAL
STATEMENT FOR THE YEAR ENDED 30TH
JUNE 2024

Hopsters Co-operative Brewery Limited

ABN 60 982 465 667

NSW Co-operative No. NSWC31923

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Directors Report

The Directors present their report on the Co-operative for the financial year ended 30th June 2024.

Directors

The names of Directors in office as at the date of this report are:

Director	Role	Appointed	Note
Sarah Hall	Director	23rd October 2021	Retiring 2024 AGM
Kieran Bowles	Director	9th February 2021	Retiring 2024 AGM
	Company Secretary		
Andrew Burnard	Director	3rd August 2022	Continuing
Gordon Babe	Director	26th November 2022	Continuing
	Chair		
Bruce Cech	Director	25th November 2023	Continuing
Hansi King	Director	25th November 2023	Continuing
Alan Skipper	Director	25th November 2023	Continuing
Mark Bandt	Director (casual)	29th July 2024	
Lloyd Alexander	Director (casual)	29th July 2024	

The names of Directors who resigned or retired during the year are as follows:

Ben Dunn	Former Director	25th November 2023	Resigned 30 June 2024
Monika Kiraly	Former Director	25th November 2023	Resigned 01 July 2024

Dividends Paid or Recommended

The co-operative made a loss in the financial year and accordingly no dividend is payable at this time.

Principal Activities

The principal activity of the business is a small bar.

Hopsters Co-op has continued to produce beer in cans and kegs under contract brewing arrangements utilising Frenchies Bistro & Brewery Pty Ltd.

Review of Operations

The co-operative made a loss from ordinary activities for the financial year of \$75,242.

Significant Changes in State of Affairs

During the financial year there were no of significant changes in operations of the co-operative.

Membership

Membership has grown by 43 over the last financial year and as at the date of this report the co-operative has 914 member-owners.

After Balance Date Events

There are no significant events occurring after balance date.

Unsecured Notes Funding

The Disclosure Statement for the third round of Unsecured Notes was approved by NSW Fair Trading on 27th November 2023. The Notes will mature from Oct25 through to Dec26. The Notes issue was capped at \$150,000. A total of \$149,000 of Unsecured Notes are issued (\$144,000 as of 30th June 2024, Jun23: \$82,000).

Future Developments

Planned future developments planned are the installation of brewing facilities on premise of 198 Enmore Rd, Enmore. Designs and costings have been prepared, and plans are in the process of being prepared for submission of a development application to council.

Development of on-premise brewing capability will allow the co-operative to reduce brewing costs and improve sales margin, while allowing a broader range of Hopsters' own beers to be produced and served in the Taproom to increase sales.

Sales need to increase, and all costs need to be managed carefully to counteract the prior rental increase, staff wages and increasing stock and running costs and manage cashflow with a view to turn the business into a profitable trading position.

There are significant risks associated with operating the taproom if sustainable sales levels of \$8,000 or more per week are not able to be consistently achieved.

Hopsters, being a co-operative, needs more members to support the taproom through sales and volunteering, especially bar staff over the weekend. Wages have increase significantly because of the need to hire casual labour.

As at the date of this report the Board remains confident that the Hopsters Co-op community of members will continue to rally behind the taproom to support it and enable the necessary cashflow to continue for the business to remain viable.

Environmental Issues

Nil

Officers & Management Team Particulars

Qualifications, experience and other Information;

Director	Role	Qualification and Experience
Mitch Hobbs	Operations Manager	Industry Sales Manager
Sarah Hall	Director	Company Director, Business Owner
Kieran Bowles	Director, Company Secretary	Sustainability Manager, Engineer
Andrew Burnard	Director	Engineer, Senior Policy Officer
Gordon Babe	Director, Chair	General Counsel
Bruce Cech	Director	Technology Solution Architect
Hansi King	Director	Business Administrator, MBA
Alan Skipper	Director	Educator, Business Owner
Mark Bandt	Director (casual)	Sales Manager
Lloyd Alexander	Director (casual)	Chartered Accountant
Michael O'Shea	Treasurer	Group Financial Controller, CPA

Directors' Emoluments

No Director of the Co-operative has received or become entitled to receive, a benefit by reason of a contract made by the Co-operative or by a related entity with the Director, or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

The Directors and other Office bearers have been contributing their time to the co-operative on a volunteer basis.

Indemnifying Officers

The Co-operative has not, during or since the financial year, in respect to any person who is or has been an officer or auditor of the Co-operative or a related Body Corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of the Co-operative

No person has applied for leave of Court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings.

The Co-operative was not a party to any such proceedings during the year.

Signed on behalf of the Board of Directors

Signed in accordance with a resolution of the Board of Directors.



October 27, 2024

Kieran Bowles
Director, Company Secretary

Financial Statements

Hopsters Co-operative Brewery Pty Ltd

Income Statement

For the year ended 30 June 2024

		30 Jun 24	30 Jun 23
Income from ordinary activities			
Sales	3	340,160	311,654
Other Income	3	8,798	23,609
Interest	3	1,190	383
Total Income		350,148	335,646
Cost of Sales	4	146,544	132,678
Gross Profit		203,604	202,968
Other Expenses			
Advertising	5	2,118	1,682
Annual Leave Provision	6	1,766	(20)
Bad debts	7	243	0
Bank & transaction fees	8	4,189	4,665
Cleaning	9	3,152	3,408
Consulting & Accounting	10	903	744
Depreciation	11	15,692	15,074
Freight & courier	12	528	408
General expenses	13	9,160	4,675
Insurance	14	14,420	2,281
Interest expense	15	6,665	4,946
Legal expenses	16	1,246	222
Taproom utilities	17	7,003	2,597
Motor vehicle hire	18	0	0
Office expenses	19	3,355	4,722
Printing & stationery	20	0	137
Rent	21	73,158	63,139
Repairs & maintenance	22	712	1,628
Subscriptions	23	1,784	1,804
Superannuation	24	13,070	10,861
Telephone & internet	25	862	947
Wages and Salaries	26	118,820	103,435
Total Other Expenses		278,846	227,355

Profit/(Loss) from ordinary activities before Income Tax	(75,242)	(24,387)
Income tax expense from ordinary activities	0	0
Profit/(Loss) from ordinary activities after related income tax	(75,242)	(24,387)
Net profit / (loss) at the end of financial year	(75,242)	(24,387)
Total changes in equity other than those from transactions with owners as owners	(75,242)	(24,387)

Hopsters Co-operative Brewery Pty Ltd

Balance Sheet

For the year ended 30 June 2024

		2024	2023
CURRENT ASSETS			
Cash at bank	27	53,743	39,676
Cash on hand	28	330	215
Accounts Receivable	29	3,590	397
Prepayments	30	(150)	(150)
Inventory	31	22,217	24,084
Total Current Assets		79,730	64,221
NON-CURRENT ASSETS			
Office equipment	32	2,784	3,034
Plant & Equipment	33	135,842	150,313
Intangible Assets	34	0	0
Total Non-Current Assets		138,626	153,347
TOTAL ASSETS		218,356	217,568
CURRENT LIABILITIES			
Accounts Payable	35	33,808	32,404
GST	36	977	699
PAYG Withholding Payable	37	6,383	5,911
Provision for Annual Leave	38	7,286	5,520
Superannuation Payable	39	1,039	1,148
Business Loan	40	0	281
Total Current Liabilities		49,492	45,682
NON-CURRENT LIABILITIES			
Unsecured Notes	41	144,000	82,000
Members Capital	42	435,650	425,150
Total Non-Current Liabilities		579,650	507,150
TOTAL LIABILITIES		629,142	553,113
NET ASSETS / (LIABILITIES)		(410,786)	(335,545)
EQUITY			
Current year earnings / (loss)		(75,242)	(24,387)
Retained profits / (accumulated losses)	43	(335,545)	(311,157)
TOTAL DEFICIT		(410,786)	(335,545)

Hopsters Co-operative Brewery Pty Ltd

Statement of Changes in Members Interests

For the year ended 30 June 2024

	2024	2023
Member Shares Classified As Liabilities		
Opening balance	425,150	412,900
Member shares issued	10,500	12,250
Closing balance	435,650	425,150
Retained Profits / (Accumulated Losses)		
Opening balance	(335,545)	(311,157)
Net loss after income tax from continuing operations	(75,242)	(24,387)
Net Other Comprehensive Income from continuing operations	0	0
Closing balance	(410,786)	(335,545)
Total Members Interests	24,864	89,605

Hopsters Co-operative Brewery Pty Ltd

Statement of Cash Flows

For the year ended 30 June 2024

	2024	2023
Cash flows from operating activities		
Receipts from customers & COVID support	348,958	335,263
Payments to suppliers and employees	(400,549)	(344,189)
Finance income received	1,190	383
Finance costs paid	(6,665)	(4,946)
Income taxes paid	0	0
Net cash provided by operating activities	(57,066)	(13,489)
Cash flows from investing activities		
Payments for plant and equipment and other assets	(971)	(4,625)
Net cash used in investing activities	(971)	(4,625)
Cash flows from financing activities		
Proceeds from borrowings	62,000	0
Proceeds from membership sales	10,500	12,250
Repayment of borrowings	(281)	(289)
Dividends paid	0	0
Net cash provided by financing activities	72,219	11,961
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at the start of the financial period	39,891	46,044
Cash and cash equivalents at the end of the financial period	54,073	39,891

Hopsters Co-operative Brewery Pty Ltd

Notes to Financial Statements

For the year ended 30 June 2024

REPORTING ENTITY

Hopsters Co-operative Brewery Limited is domiciled in New South Wales, Australia. The business address is 198 Enmore Rd, Enmore.

The business is a for-profit co-operative operating as a small bar.

NOTE 1: BASIS OF PREPARATION

These financial statements are general purpose financial statements for the distribution to members and for the purpose of fulfilling the requirements of the Corporations Act 2001 and the NSW Co-operatives Act 1992 and the relevant regulations. They have been generally prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

Property, Plant and Equipment

During the year assets of \$971 were capitalised. This was primarily for equipment required to host live music and DJs, plus a new polaroid camera. The taproom fit out is being depreciated over the term of the premises lease and lease option periods (which is 15 years). It is considered the rates of depreciation applied are adequate to write off the cost over the estimated useful lives of the assets commencing from the time the asset is held ready for use. Any gain or loss on disposal of fixed assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal and is included in the results of the co-operative in the year of disposal. There were no gains or losses on disposal during the year.

As at the balance date there were fixed assets of \$138,626 (FY23 \$153,347) after depreciation mainly comprising the taproom fit out, the 200L brewing system, steel kegs and other equipment.

CASH

Cash is cash at bank and cash on hand in the cash register.

GOOD & SERVICES TAX (GST)

The co-operative is registered for GST.

NOTE 2: CAPITAL

Capital consists of shares at \$50.00 each. Members of the co-operative hold a minimum of 5 shares each.

NOTE 3: REVENUE

Operating activities (Australia)

Beer sales revenue of \$340,160 mainly relates to sales of beer and other beverages at the taproom bar, member retail sales of cans over the website and wholesale sales of kegs and cans.

Other revenue of \$8,798 relates to sales for merchandise, beer club and other event tickets sales.

Interest income for the year was \$1,190.

NOTE 4: COST OF SALES

This represents the cost of stock sold during the year and was \$146,544 (42% of revenue, an increase of 2% on the prior year). This included brewing costs for our beer range and canning batches as well as cost of kegs, merchandise and other stock purchased from suppliers.

NOTE 5: ADVERTISING

Includes marketing costs such as Untapped subscription costs and Facebook advertising used for the promotion of events.

NOTE 6: ANNUAL LEAVE PROVISION

The expense to profit and loss represents the change in the annual leave liability entitlement for permanent employees.

NOTE 7: BAD DEBTS

There were bad debts of \$243 mainly associated with write-off of sales invoices to 12 Taps Marrickville, which went out of business during the year.

NOTE 8: BANK AND TRANSACTION FEES

Bank and credit card processing fees incurred on memberships payments received and on sales transactions mainly transacted over the website. Passing on credit card surcharges has been enabled on the taproom point of sale terminal.

NOTE 9: CLEANING

Cleaning costs include mainly bathroom supplies, hand sanitizer and waste removal services.

NOTE 10: CONSULTING & ACCOUNTING

Accounting fees are a monthly subscription to online accounting platform Xero.

NOTE 11: DEPRECIATION

Depreciation relates to plant and equipment assets.

NOTE 12: FREIGHT & COURIER

Costs associated with shipping website sales to customers and some minor transport costs associated with collecting stock from the contract brewer.

NOTE 13: GENERAL EXPENSES

General expenses included IT costs, CO2 gas cylinder rental, gas refills, replacement glasses, cost of entertainers, and other general expenses.

NOTE 14: INSURANCE

Hopsters has insurance policies covering workers compensation, public liability, management liability, insurance covering some volunteer's activities and contents insurance. Insurance premium cost in the profit and loss accounts for FY23 was \$2,280, lower than prior year (\$6,896) because the co-operative has chosen to pay the business premiums in instalments and recognise those on a cash basis. Previously the premium was paid in full and recognised in the accounts at the full annual amount in advance. The co-operative has entered into an insurance premium funding loan agreement for the business insurances and also opted to continue paying workers compensation insurances in monthly instalments. The amount recognised in 2024 accounts represents the instalments on the prior year policies paid in FY24 and the expense for the current year policies.

NOTE 15: INTEREST EXPENSE

The interest expense for the year was \$6,665. This relates to interest paid on unsecured notes issued to members. The third issue of the unsecured notes offered an increase in interest rates of 7.5% for 24 months or 6.5% for 36 months to ensure the product was attractive, given increasing interest rates in the broader economy. As a result of the increase notes issued and the increase in rates the co-operative interest expense will increase in FY25 to \$10,595.

NOTE 16: LEGAL EXPENSES

Legal expenses in the year mainly relate to liquor licence renewal fees and ASIC fees.

NOTE 17: TAPROOM UTILITIES

Electricity charges for the year were \$7,003.

NOTE 18: MOTOR VEHICLE HIRE

Cost of temporary vehicle hire to deliver and collect kegs. Nil for 2024.

NOTE 19: OFFICE EXPENSES

Office expenses of \$3,355 includes POS system rental fees, website platform renewal fees, Google workspace, APRA music license fees, Spotify, Google workspace, Microsoft office platform, kitchen utensils, insecticide, barware, and glasses.

NOTE 20: PRINTING & STATIONERY

Printing brochures. Nil for 2024.

NOTE 21: RENT

Rental expense relates to the lease for 198 Enmore Road, Enmore.

The rent and outgoings costs for the year reflected in the expenses is \$73,158. This is an increase on prior year of \$10,018. As disclosed in the prior year report, the monthly base rent has increased around \$7,230 per annum or 12.74% increase before outgoings when the lease was renewed in August 2023. In addition to the general increase on rent, the co-operative commenced repaying the COVID rent deferrals in December 2023 in accordance with NSW Government guidelines and terms agreed with the landlord. COVID rent deferrals total \$11,865 and will be fully repaid in November 2024.

The Bank Guarantee for \$20,083.33 to cover the bond on the lease remains in place.

NOTE 22: REPAIRS & MAINTENANCE

Repairs and maintenance expenses of \$712 general hardware, cool room repairs, locksmith, and fire safety inspection.

NOTE 23: SUBSCRIPTIONS

Subscription costs include membership fees to the Co-op Federation of NSW Limited, Independent Brewers Association and WooCommerce software for the website shop.

NOTE 24: SUPERANNUATION

Represents Superannuation Guarantee Charge (SGC) on employee wages. Superannuation is remitted to the employee superannuation accounts on a monthly basis.

NOTE 25: TELEPHONE & INTERNET

Internet web hosting and internet telecommunication service.

NOTE 26: WAGES & SALARIES

Bar manager and casual employee wages.

NOTE 27: CASH AT BANK

Cash at bank as at the report date was \$53,743.

This includes a term deposit of \$20,089 that is held as security for the rental bond Bank Guarantee.

NOTE 28: CASH ON HAND

Represents cash held in the cash register.

NOTE 29: ACCOUNTS RECEIVABLE

Unpaid customer sales invoices. All receivables are recoverable and there is no provision for bad debts.

NOTE 30: PREPAYMENTS

Prepayments represents monthly instalment payments made towards membership held pending completion of the payment plan.

NOTE 31: INVENTORY

The inventory includes tapped kegs for taproom sales and other stock on hand yet to be sold as at balance date.

NOTE 32: OFFICE EQUIPMENT

	2024	2023
Opening balance	3,034	3,284
Additions	514	0
Depreciation	(764)	(250)
Closing balance	2,784	3,034

NOTE 33: PLANT & EQUIPMENT

	2024	2023
Opening balance	150,313	160,512
Additions	457	4,625
Depreciation	(14,928)	(14,824)
Closing balance	135,842	150,313

NOTE 34: INTANGIBLE ASSETS

	2024	2023
Opening balance	0	0
Additions – trademarks	0	0
Amortisation	0	0
Closing balance	0	0

NOTE 35: ACCOUNTS PAYABLE

The balance of \$33,808 includes the following accounts payable:

Rent (deferred under COVID relief measures)	3,909
Stock for taproom and cost of goods sold	20,065
Insurance	6,572
Interest	3,873

NOTE 36: GST

Balance of GST clearing account. As at the report date Hopsters had a GST payable balance of \$977.

NOTE 37: PAYG WITHHOLDING TAX PAYABLE

PAYG withholding tax payable to the ATO on employee wages.

NOTE 38: PROVISION FOR ANNUAL LEAVE

Accrued annual leave liability for permanent employees as at balance date. The prior year profit and loss statement and balance sheet have been restated to reflect the annual leave balance as at prior year balance date.

NOTE 39: SUPERANNUATION PAYABLE

Superannuation payments payable to employee superannuation funds.

NOTE 40: BUSINESS LOAN

In August 2020 a Business Support bank loan for \$20,454 was taken out with Bendigo Bank as a back stop buffer to support cashflow impacts from the 2020 COVID lockdowns. The interest rate is 4.5% and has a 36-month term. As at 30th Jun23 the balance of the loan was \$281. The facility term has now expired, the balance has been repaid and the account has been closed.

NOTE 41: UNSECURED NOTES

In November 2023 NSW Fair Trading approved the disclosure statement for Hopsters second round of Unsecured Notes funding to raise up to \$150,000.

The co-operative currently has \$149,000 debt funding from some members (\$144,000 as of 30th June 2024 balance date) who subscribed to the third round of the unsecured notes. The unsecured notes are repayable after 2 or 3 years, maturing from 13th Oct 25 through to Dec 26. Interest is payable each 6 months at a fixed rate of 7.5% per annum (for 2-year term notes) and 6.5% per annum (for 3-year term notes).

NOTE 42: MEMBERS CAPITAL

As at the report date members had contributed \$435,650 in share capital.

For accounting presentation purposes, member share capital is classified as a liability in the financial statements in accordance with AASB132 Financial Instruments: Presentation.

If the balance sheet was presented in the traditional way members net equity as at balance date would be \$24,864 as shown in the statement of member's interests.

NOTE 43: RETAINED LOSSES

Accumulated Losses at Beginning of the financial year \$335,545.

Net loss attributable to the members for the financial year \$75,242.

The co-operative has carried forward losses for the operation of \$410,786.

NOTE 44: RELATED PARTY TRANSACTIONS^[L]_[SEP]

There were no related party transactions in the financial year.

Hopsters Co-operative Brewery Pty Ltd

Directors Declaration

For the year ended 30 June 2024

Directors Declaration

The Directors' have determined that the Co-operative is not a reporting entity and that this special purpose financial report has been prepared in accordance with the accounting policies described in Note 1 to the financial statements. The Directors of the Co-operative declare that:

1. The financial statements and notes, as set out are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the NSW Co-operatives Act 1992 and the relevant regulations, and,
 - b. give a true and fair view of the financial position as of **30th June, 2024** of the performance of the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements. [L] [SEP]
2. In the Director's opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable. [L] [SEP]

This declaration is made in accordance with a resolution of the Board of Directors.



October 27, 2024

Kieran Bowles,
Director, Company Secretary