

# DISCLOSURE STATEMENT

FOR A PROPOSED DISTRIBUTING CO-OPERATIVE  
REGISTERING UNDER THE  
CO-OPERATIVES ACT 2009 (WA).

NAME OF PROPOSED CO-OPERATIVE:

.....

DATE OF LODGEMENT WITH REGISTRAR:

     /      /       
DD MM YY

DATE OF APPROVAL:

<u>    </u> / <u>    </u> / <u>    </u> DD MM YY
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**THIS DISCLOSURE STATEMENT IS VALID FOR A PERIOD OF 12  
MONTHS FROM DATE OF APPROVAL FOR ISSUE WITHIN THE  
STATE OF WESTERN AUSTRALIA ONLY**

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FOR FIRST YEAR OF TRADING**

# DISCLOSURE STATEMENT

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## 1 EXPLANATION OF THIS STATEMENT

Section 16(1) of the *Co-operatives Act 2009* (the Act) requires that a draft disclosure statement of a proposed distributing co-operative must be submitted to the Registrar at least 35 days before the formation meeting is due to be held. The disclosure statement must contain the information necessary to ensure that eligible members are adequately informed of the nature and extent of a person's financial involvement or liability as a member of the co-operative under the Act (section 16(3)(a)-(g)). A shorter period than 35 days may be allowed by the Registrar in exceptional circumstances.

## 2 ACTIVE MEMBERSHIP PROVISIONS

**Active Membership:** The Act requires that a co-operative's rules specify the manner and extent to which a member is required to actively support their co-operative. This support is measured against one or more of the co-operative's primary activities. Members are required to use or support an activity, or activities, of their co-operative in order to retain the right to remain a member and have rights of membership. *Note: Before an active membership rule amendment can be put to a vote by the members the written approval of the Registrar is required.*

2.1 The co-operative's active membership rule identifies the co-operative's basic reason for existence, or primary activity, as being:

.....  
.....  
.....

2.2 and to maintain their membership of the co-operative, a member shall:

.....  
.....  
.....

2.3 A co-operative may also have objects in addition to primary activities. (*Any proposed objects should be listed below or attached as an annexure*).

.....  
.....

.....

**3 RIGHTS AND LIABILITIES ATTACHING TO SHARES**

Section 67(2) of the Act states that "a member of a co-operative with share capital is liable to the co-operative for the amount, if any, unpaid on the shares held by the member, together with any charges payable by the member to the co-operative as required by the rules of the co-operative".

**DETAILS OF LIABILITY AND FINANCIAL INVOLVEMENT**

- 3.1 Share Capital cost per member \$
- 3.2 Annual Subscriptions Levies (if any) \$
- 3.3 Details of any pre-registration contractual obligations (if any), guarantees and indemnities, contingent liabilities, unresolved or pending law suits which the co-operative will assume once formed are listed below:  
Contracts with third party promoters: .....

.....  
Contracts with other parties: .....

**4 ESTIMATED COSTS OF FORMATION**

Formation Expenses

- 4.1 Expenses incurred prior to the formation meeting which are to be recouped once the co-operative is formed are: \$ .....
- Description of these expenses:

.....  
*(If insufficient space, attach further details as an Annexure marked "Formation Expenses")*

**5 CAPITAL REQUIRED AT FORMATION**

5.1 Start-up Funding

(a) Internal Source of Funds

The number of persons who qualify for membership of the co-operative and have indicated in writing their intention to join the co-operative, is ..... persons.

(b) The total number of shares to be subscribed by these persons is ..... shares

- (c) Total share capital to be subscribed is \$.....
- Total entrance fees are \$.....
- Total initial subscriptions or levies are \$.....
- Total other charges are \$.....

(d) External Source of Funds

If the co-operative is to use grants, subsidies, donations or other financial support to be viable, documents of funding received or requested should be given as an annexure marked "Grants and Subsidies".

- (e) If the co-operative is to borrow funds, indicate here the amount :  
\$.....

**6 DISCLOSURE OF PRE-REGISTRATION CONTRACTUAL OBLIGATIONS INVOLVING PROPOSED DIRECTORS**

6.1 Will any of the proposed directors have a direct or indirect interest in any contract or proposed contract with the co-operative, other than an interest in a contract referred to in section 223 of the Act?

- Yes                       No

*(In the case of a contract referred to in the above section, the contract must be made in good faith, in the ordinary course of the business of the co-operative and on such terms that will be usual and proper in similar dealings between the proposed co-operative and its members.)*

**If yes**, the following details must be specified here or by way of annexure;

- (i) the nature of the contract.
- (ii) the name of the parties to the contract.
- (iii) (A) the interest, remuneration, reward or commission which any director will be entitled to receive; or  
(B) where the proposed director is a director, officer, shareholder or member of a body corporate or organisation, which is a party to the contract; the interest, remuneration, reward or commission which the body corporate or organisation will receive.
- (iv) the name of each proposed director or member referred to in (iii) above, and in the case of (iii)(B), the position or office held.

Will any of the proposed directors on being elected to the board at the formation meeting have a declarable interest within the provisions of sections 220; 222 and 223 of the Act? It so, specify by way of annexure.

## 7 PROJECTED INCOME AND EXPENDITURE

*The projected income and expenditure of the co-operative for its first year of operation is set out in the attached annexure:*

Please note:

- \* the projected income and expenditure Statement is provided as an example only. You may want to add additional items appropriate to your proposed co-operative;
- \* show your calculations and any assumptions for individual items on a separate sheet, eg cost of shares per member x number of members = total issue of shares to members in \$ ;
- \* check all items of projected income and expenditure are included;
- \* check arithmetic.

## 8 DISCLAIMER

These publications should not be relied on as legal advice, nor do they provide a comprehensive statement of the legislation. To obtain a better understanding of the relevant laws, to refer to the Act and Regulations.

The *Co-operatives Act 2009* and *Co-operatives Regulations 2010* are intended to provide for the registration of co-operatives in WA and the regulation of their affairs. The Department of Commerce and, in particular, the Commissioner for Consumer Protection, has the responsibility to administer the Act and Regulations on behalf of the Government.

Copies of the Act and Regulations can be obtained from the State Law Publisher, Ground Floor, 10 William Street, Perth, WA Ph: (08) 9426 0000.

The Act and Regulations can also be viewed and downloaded free of charge on the State Law Publisher's Website [www.slp.wa.gov.au](http://www.slp.wa.gov.au). Further information can also be found by contacting the Co-operatives Unit at the Department of Commerce by phone – (08) 6364 3070, email - [cooperatives@commerce.wa.gov.au](mailto:cooperatives@commerce.wa.gov.au) or post – Locked Bag 14, Cloisters Square, Perth 6850.

ANNEXURE A

PROJECTED INCOME AND EXPENDITURE

FOR FIRST YEAR OF OPERATION

ESTIMATES FIRST YEAR OF OPERATION 20.....

CASH	OPENING BANK BALANCE	.....
IN	Contributed Capital	.....
	Share Capital	.....
	Other capital – Members	.....
	Other Capital - Non-members	.....
	Non-repayable Grants & Subsidies	.....
	Subscriptions & Donations	.....
	Commercial Revenue	.....
	Loans Raised	.....
		_____
+	TOTAL CASH RECEIPTS	=====
CASH	Materials	.....
OUT	Wages & Salaries	.....
	Transport & Travel	.....
	Rent	.....
	Insurance	.....
	Repair & Maintenance	.....
	Administration Expenses	.....
	Formation Expenses	.....
	Audit	.....
	Interest on Borrowings	.....
	Capital Expenditure	.....
	Tax (net GST, PAYG other taxes)	.....
	Return of share capital	.....
Sundries	.....	_____
-	TOTAL CASH PAYMENTS	=====
=	CLOSING BANK BALANCE	_____