

DISCLOSURE STATEMENT FOR MEMBERS' VOLUNTARY WINDING UP

Notes to assist in completion of the disclosure statement.

1. DO NOT include grey boxes in your disclosure statement. The text in these boxes is to help you prepare a disclosure statement.
2. The information in this document is of a general nature and is intended only as a guide. The co-operative may need to obtain professional advice
3. Additional information may be required in the disclosure statement.
4. A disclosure statement may only include a statement by a person, or a statement said to be based on a statement by a person, if:
 - the person has consented to the statement being included in the disclosure statement in the form and context in which it is included; and
 - the disclosure statement states that the person has given this consent; and
 - the person has not withdrawn this consent before the disclosure statement is approved by, or registered with, the Registrar: s.615 of CNL
5. The draft disclosure statement must be submitted to the Registrar with the prescribed application fee well in advance (and no less than 28 days) before the notice of the special postal ballot is intended to be given to members.

SPECIAL POSTAL BALLOT

DISCLOSURE STATEMENT

CO-OPERATIVES NATIONAL LAW (NSW)

MEMBERS' VOLUNTARY WINDING UP –
SECTIONS 248 AND 445

NAME OF CO-OPERATIVE:

PROPOSAL:

DATE OF APPROVAL:

<u> </u> / <u> </u> / <u> </u>
DD / MM / YY

**THIS DISCLOSURE STATEMENT IS VALID FOR A PERIOD
OF 6 MONTHS FROM DATE OF APPROVAL**

DISCLOSURE STATEMENT

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DISCLOSURE STATEMENT

1. Introduction

1.1 Name of co-operative

(the “co-operative”)

1.2 Registered office

1.3 Explanation of this statement

The purpose of this special postal ballot is to seek approval of the members to voluntarily wind up the co-operative and to appoint a liquidator for that purpose.

2. Notice of special postal ballot

Notice is given that a special postal ballot of the co-operative to be held on _____ for the purpose of considering and, if thought fit, passing the following resolutions.

Insert CLOSING DATE of special postal ballot (must be at least 28 days after the date the approved disclosure statement is given to members)

2.1 The directors of the co-operative put the following proposal to members as a special resolution:

2.2 Ordinary resolution

The directors of the co-operative also put the following resolution(s) to members to be determined by a simple majority under section 445(2) of the Co-operatives National Law (NSW):

When a special postal ballot is held the members, may by simple majority appoint a liquidator(s) and fix the remuneration to be paid to the liquidator.

2.3 Background to the proposal

List the principal reasons for winding up the co-operative

2.4 Details of the proposal are as follows:

2.5 Effects of the proposal

2.6 Benefits of the proposal

2.7 Disadvantages of the proposal

2.8 Taxation effect of the proposal

Taxation implications for the co-operative and the members. This part must set out details and qualifications of the person who provides the taxation advice.

A statement that meets the requirements of section 615 of the CNL must be included (see note 4).

2.9 Entitlements of former members on winding up of the co-operative

Division 5 of Part 2.6 of the CNL

Certain former members who have had their membership cancelled due to inactivity are entitled to share in a distribution of any surplus on winding up of the co-operative

- *where the forfeiture of shares occurred after 3 March 2014 and where the winding up started within 2 years after the person's shares were forfeited*
- *where the forfeiture of shares occurred before 3 March 2014 and where the winding up started within 5 years after the person's shares were forfeited.*

For this purpose those former members are to be taken to be the holder of shares (the same in all respects as those that were forfeited) in the co-operative (section 168(1) (c) of the CNL). Section 170 of the CNL deals with the set-off of amounts repaid on forfeited shares.

Details of the number of former members and shares of any former member who will be entitled to share in the distribution and shares must be included.

3. Approval and disclaimer

On _____ the Registrar approved this disclosure statement pursuant to section 248(3) of the Co-operatives National Law (NSW). Such approval should not be interpreted as a comment on the merits of the proposal.

The Registrar accepts no responsibility for the contents of this disclosure statement.

4. Legislative requirements

The members of the co-operative may approve the voluntarily winding up of the co-operative by way of a special postal ballot.

The co-operative is required to give a disclosure statement to members at least 28 days prior to the closing date of the special postal ballot.

A postal ballot paper setting out the special resolution(s) and information on how to lodge your vote accompanies this disclosure statement. Members must complete and return the postal ballot paper to the co-operative **before** the closing date of the special postal ballot.

The special resolution to wind up the co-operative will be passed if three quarters (3/4) of the formal votes cast are in favour of the special resolution. The special resolution is effective from the time it is recorded in the minute book by the secretary.

Members can also appoint one or more liquidators and fix the remuneration to be paid to the liquidator, in this special postal ballot. The resolution to appoint the liquidator and to determine the liquidator's remuneration is to be determined by a simple majority.

On _____ the directors lodged a Declaration of solvency with the Registrar. In this declaration the directors declared they have formed the opinion that the co-operative will be able to pay its debts in full within a period of 12 months after the commencement of the winding up.

5. Members eligible to vote

Only active members are eligible to vote in this special postal ballot.

5.1 An active member is a member who:

Only active members are eligible to vote in a special postal ballot. The active membership test as set out in the registered rules of the co-operative is to be included in full in this part.

A co-operative that is a registered club may also need to refer to any other rules that restrict voting rights.

If any member is unsure of their entitlement to vote, that member should contact _____ of the co-operative during the hours of ____ am – ____ pm Monday to Friday by telephone on _____.

All members, whether active or inactive, at the time of distribution of the special postal ballot material, are entitled to receive the special postal ballot material. This is required by the Co-operatives National Law (NSW) and ensures that all members of the co-operative are made aware of the proposal.

6. Financial position of the co-operative

If the financial statements previously provided to members are more than 3 months old, a Statement of Financial Performance & Statement of Financial Position prepared to a date that will be less than 3 months before the proposed distribution of the disclosure statement to members should be attached to the disclosure statement.

The financial position of the co-operative is as detailed in the most recent financial statements of the co-operative for the year ending _____. A copy of these financial statements are available from _____.

The financial statements (audited/unaudited) for the period _____ are annexed to this disclosure statement.

6.1 The following is a summary of key balance sheet items of the co-operative for the years ended XXXX to XXXX and for the MM months period to XXXXX

	For ..months period to .. (audited/reviewed/ not audited/not reviewed)	30 JUNE 20.. (audited/reviewed/ unaudited)	30 JUNE 20.. (audited/reviewed/ unaudited)	30 JUNE 20.. (audited/reviewed/ unaudited)
	\$	\$	\$	\$
ASSETS				
Current assets				
Non-current assets				
TOTAL ASSETS				
LIABILITIES				
Current liabilities				
Non-current liabilities				
Issued capital				
TOTAL LIABILITIES				
NET ASSETS				
EQUITY				
Reserves				

Retained profits/(loss)				
TOTAL SHAREHOLDER EQUITY				
Nos members				
Turnover				
Profit/(loss)				

6.2 Significant changes to the financial position of the co-operative since the preparation of the financial statements for the financial year ending xxxx.

Set out any significant changes or events likely to affect the financial position or prospects of the co-operative since the date of the most recent financial reports presented to members. If there have not been any significant changes or events this must be stated.

7. Statement of director's interest

The directors of the board must state if they have any interest, financial or otherwise, in the proposal that is the subject of this special postal ballot.

The interests of the directors of the co-operative in the proposal, including any interests of the directors in any other organisation that may be concerned with the proposal are as follows:

8. Compensation or consideration to officers of the co-operative in connection with the proposal

The directors of the board need to confirm whether any compensation or consideration will be paid to officers or members of the Co-operative in connection with the proposal, which is the subject of the special postal ballot.

8.1 There is no compensation, consideration, incentive, commission or other benefit which has been or will be paid or given to:

- * any officer or member of the co-operative;
- * any relative of an officer of the co-operative;
- * any entity (whether incorporated or not) of which an officer of the co-operative, or relative of an officer of a co-operative, is a shareholder, member, officer, partner or beneficiary, in relation to the proposal and the promotion of the proposal.

8.2 The directors are not aware of any information that is within their knowledge and that has not previously been disclosed to the members, where that information is material to the making of a decision by a member whether or not to agree to the proposal.

9. List of annexures

10. Recommendation

The directors of the board must state if they unanimously recommend that members vote in favour of the proposal. The reason(s) for any dissent must be included.

11. Disclaimer

Co-operatives may wish to include a disclaimer statement.

It is not possible for a disclaimer statement to include all material relevant to each co-

operative's circumstances. Each member should make his or her own enquiries, and is advised to obtain professional advice if they feel this is necessary.

DISCLAIMER OF LIABILITY

This disclosure statement has been approved by the Registrar for the purpose of section 248 of the Co-operatives National Law (NSW) (the Act). This approval is not to be taken in any way as an indication that the disclosure statement sets out all the information that may be relevant to the proposal.

Approval does not relate in any way to the merits or otherwise of the co-operative's proposal. No responsibility as to the contents of the disclosure statement and attachments and annexures that form part of this document is to be taken by the Registrar, NSW Fair Trading or by any of its servants or agents.

The responsibility for ensuring that the Act has been complied with in relation to the preparation of the disclosure statement lies with those issuing the statement. Persons making false or misleading statements in a disclosure statement may be liable for criminal penalties and expose themselves to civil liability to anyone who suffers loss as a consequence.

This Statement is signed in accordance with a resolution of the directors dated _____

..... Director

Signature

..... Director

Signature