

Disclosure statement for members and employees to subscribe to debentures

(Example only)

Co-operatives National Law (South Australia) section 338

The information presented in these notes is of a general nature only and should not be relied on as anything more than a guide. If you are considering this course of action, you should seek independent expert advice as you should in respect to any other matter relating to this subject.

This is not a form and should not be completed, other information may be required.

Disclosure statements must be accompanied by the relevant form and fee. You can find relevant documents and additional guidance at www.cbs.sa.gov.au/wcm/licensing-and-registration/co-operatives

As required by Section 338 of the *Co-operatives National Law (South Australia)*, the following disclosures are made by _____ Co-operative Limited:

Purpose

The purpose of this disclosure statement is to enable members to make an informed assessment of the financial prospects of the co-operative.

The abovementioned Co-operative Limited is proposing to (insert proposed course of action):

Reason for proposal

The disclosure statement must set out the purpose for which the money raised by the co-operative by the issue of debentures is to be used.

Rights and liabilities

The disclosure statement must include information relating to the rights and liabilities attaching to the debentures, including security of debentures and interest payments.

Financial position of the co-operative

The financial position of the co-operative is as detailed in the most recent **audited** accounts (an attached copy not more than 6 months old is attached) of the co-operative for the year ending _____ (insert date)

or

The financial position of the co-operative is as detailed in the most recent financial statements (an attached copy not more than one month old is attached) of the co-operative for the year ending _____ (insert date).

Provide figures under the headings below:

Income

Expenditure

Funds in bank account

Total assets [includes cash in the Bank, etc]

Liabilities [includes information about other secured and unsecured borrowings]

Directors' interests

The directors of the board will need to confirm whether they have any interest, financial or otherwise, in the proposal that is the subject of this special postal ballot.

Compensation or consideration to be paid to members or officers

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.

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 necessary.