



2019 - 2020

ANNUAL REPORT





CONTENTS

| | |
|------------------------------|----|
| Chairperson's Report | 4 |
| At A Glance: Our Members | 5 |
| At A Glance: Our Reach | 5 |
| Financial Statements | 6 |
| Independent Auditor's Report | 37 |

CHAIRPERSON'S REPORT

Dear Member,

Another year has passed for our organisation and I am pleased to announce Growcom has made a profit of \$259,178 for the 2019/20 financial year.

The Queensland horticulture industry has faced many complex and dynamic challenges this year but none quite as challenging as the human health pandemic COVID-19.

As is typical of Growcom in any emergency or disaster, at the outset of the pandemic staff quickly moved into crisis management mode. A key priority has been ensuring business continuity in the event of a positive COVID-19 detection or outbreak in a regional center and ensuring industry maintained confidence in the Government that it could continue to operate and supply fresh produce to Australian consumers.

Stepping up to the plate, Growcom has led the industry in Queensland providing expert advice to not only the growing community but also Local, State, and Federal Governments to ensure the best possible outcomes for our members.

While the horticulture industry appears to have come through the pandemic to-date relatively unscathed when compared to other industries, the challenges we face as we head into the second half of 2020 and beyond could be our biggest yet.

Growcom identified early on that industry's access to a secure workforce was declining fast. Once again, we moved to address this working with both State and Federal Governments to ensure initiatives being developed were fit for purpose and accessible. Growcom has dedicated an enormous amount of time and resource to this issue and we will not stop until every feasible idea has been considered. I would like to extend my thanks to the Queensland Government and in particular Minister Furner for listening to and consulting with industry on this matter as we all work to resolve the labour issue.

Outside of COVID-19 there were a number of other high-profile policy issues that will continue to affect the industry in the year ahead. The introduction of the controversial Reef regulations, lowering of Paradise Dam, and changes to the Horticulture Award affecting casual employment to name just a few. Rest assured, Growcom will continue to fight to ensure the best outcomes for the industry.

On a positive note, I am pleased to announce in June 2020 Growcom's Fair Farms training and certification program

celebrated its first full year of operation. In what was also a major milestone for the program, Coles this year announced they would accept Fair Farms Certification as a way by which fresh produce suppliers can demonstrate compliance with the retailer's ethical sourcing policy. Having the support of all three retailers puts us in a positive position to continue growing this important program with our focus for the 2020/21 financial year on building a critical mass of Fair Farms Certified businesses.

Infopest, Growcom's leading AgVet chemical database continues to receive support from members and industry alike. In 2020 Growcom has been working behind the scenes to move Infopest to the cloud environment as well as making significant changes to the look, feel and user friendliness of the product. I look forward to unveiling this much improved product to our members in 2021.

Industry training and skills development were also supported this year through the delivery of Growcom's highly regarded Workplace Essentials series. The 2020 series was delivered in major growing regions and included a focus on COVID-19 workplace health and safety obligations. Our extension officers were also busy delivering workshops through our Hort360 program that focused on improving on-farm practices, reducing risks, and improving efficiencies.

On a project front, Growcom continues to deliver a number of valuable projects in the areas of climate adaptation, disaster resilience, workforce development, sustainable and efficient farming, and export. With an ever-expanding portfolio we look forward to continuing our service delivery in these critical areas.

Finally, in late 2020 we welcomed to the position of Chief Executive Officer, Stephen Barnard. Stephen is a highly regarded and experienced senior executive with over 20 years' in senior leadership roles in the services and agricultural sectors. As part of his tenure, Stephen will be focused on ensuring the needs of our members are met through optimising the structural and operational needs of the Growcom business. This realignment of focus should put the business in good stead, allowing us to continue supporting industry for years to come.

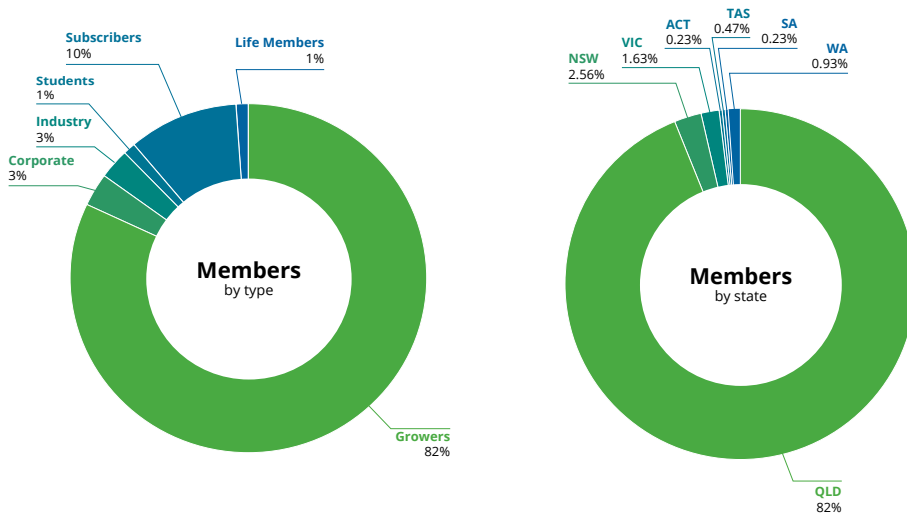
Regards,

Belinda Adams
Growcom Chairperson

AT A GLANCE: OUR MEMBERS

Growcom has more than 90 years of experience providing relevant and practical services to businesses in Queensland’s horticultural sector. As the peak representative industry body, we strive to keep growers profitable and fruit, vegetables and nuts on the table.

Growcom members represent the most advanced and productive growers throughout Queensland. They invest in Growcom membership for better business confidence.



AT A GLANCE: FLAGSHIP PROGRAMS

Growcom is the only organisation in Australia to deliver services across the entire horticulture industry – to businesses and organisations of all commodities, sizes and regions, and across the value chain. While we are Queensland-based, we deliver national scale projects, marketing, and policy initiatives. Our three major programs – Fair Farms, Hort360 and Infopest - continue to provide benefits to not only our members but also the wider agricultural industry.



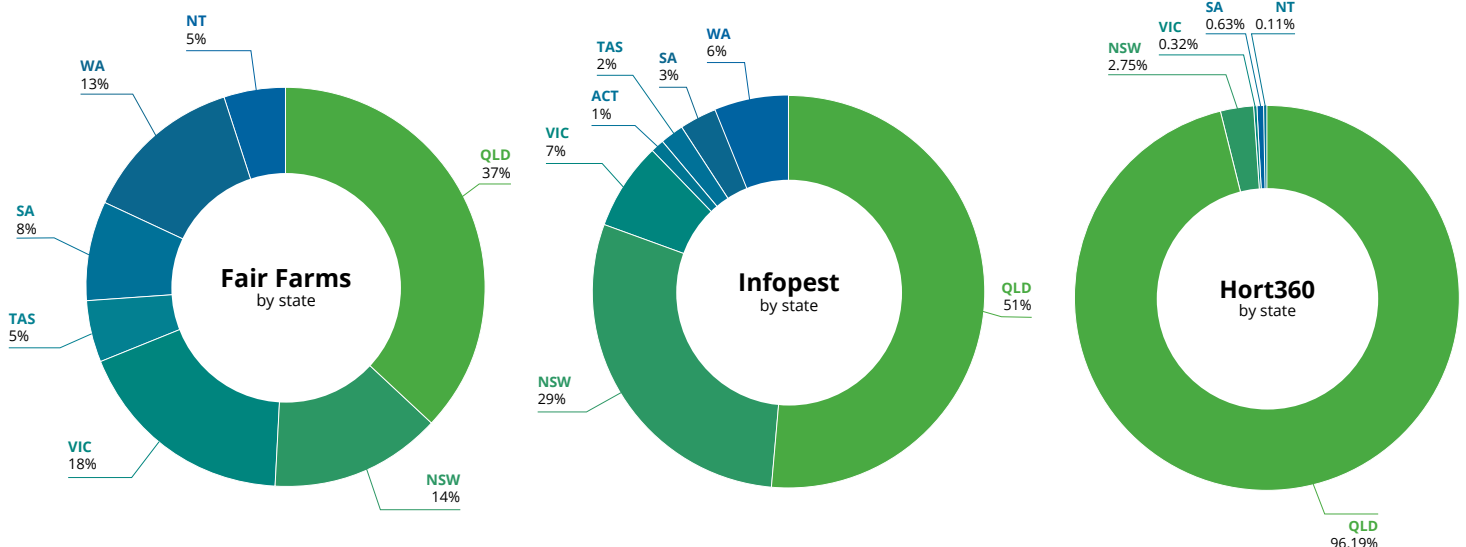
Developed by industry, for industry, Fair Farms is the training and certification program for employers in the Australian horticulture industry.



The premier online ag-vet chemical database in Australia, Infopest features all chemicals registered and approved by the Australian Pesticides and Veterinary Medicines Authority (APVMA).



The leading best management practice program for the horticulture industry. Hort360 assists growers to identify environmental risks, capitalise on business opportunities and highlight unnecessary farm expenses.



Queensland Fruit & Vegetable Growers Limited
ACN 090 816 827
Financial Statements

for the financial year ended 30 June 2020

Queensland Fruit & Vegetable Growers Limited Financial Statements 2019-2020

ACN 090 816 827

| <u>Contents</u> | <u>Page No</u> |
|---|-----------------------|
| Directors' Report | 8-14 |
| Auditor's Independence Declaration | 15 |
| Statement of Comprehensive Income | 16 |
| Statement of Financial Position | 17 |
| Statement of Changes in Equity | 18 |
| Statement of Cash Flows | 19 |
| Notes to and forming part of the financial statements for the financial year ended 30 June 2020 | 21-35 |
| Directors' Declaration | 36 |
| Independent Audit report | 37-38 |

General Information

This report covers Queensland Fruit & Vegetable Growers Limited. It has no controlled entities.

Queensland Fruit & Vegetable Growers Limited is a Company Limited by Guarantee.

The registered office and principal place of business of the company is:

Queensland Fruit & Vegetable Growers Limited
 Level 3, 183 North Quay
 Brisbane Qld 4000

A description of the nature of the Company's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Company's financial report please call the Company's Office on +617 3620 3844

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Your directors present this report on the entity for the financial year ended 30 June 2020.

Belinda Adams - Chair

Colin Jeacocke

Tim Carnell

Les Williams

Sharron Windolf

Judy Shepherd

Joe Moro - Vice Chair

Michael Kent

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the entity during the financial year were services offered on behalf of our members, partners and clients as follows:

- lobbying and policy development
- product promotions and advertising services to industry and industry development
- market access and value-chain development
- funding and managing research and development
- industrial relations and human resources consulting
- strategic plans and project management
- creative communications and marketing
- administration and secretariat

Review of operations and results of activities

The results of operations were as follows: profit after tax of the entity for the year ended 30 June 2020 was \$259,178 (2019 profit: \$303,015).

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Performance measurement

The company measures its performance against the objectives outlined in the company's strategic plan.

The company's short-term objectives are to:

- provide targeted services to industry where the company has a competitive advantage
- maintain industry expertise to support the agri-political activities, and
- continue the improvement in financial performance to ensure a sustainable base for future operations.

The company's long-term objectives are to:

- deliver effective policy development and advocacy for horticulture
- be a peak body for all production horticulture which represents all commodities and is engaged with its members,
- provide a range of valued services to industry, and
- be a financially successful organisation with a commercial culture.

To achieve these objectives, the company has adopted the following strategies:

- engage with members, stakeholders and staff to identify issues and develop and improve Growcom policy and activities
- identify and establish collaborative and partnership opportunities with government and industry bodies to promote awareness of, and seek solutions to, issues that affect the horticulture industry
- effectively communicate policy development achievements to the broader industry and our stakeholders
- become the "go to" organisation for horticulture industry crisis management in Queensland
- proactively and effectively deliver outcomes for the pineapple industry, as their peak body
- become the lead delivery agent of choice for funded projects to horticulture
- provide relevant and cost-effective services of benefit to the industry, and to
- develop and implement a 'commercial culture'.

Directors' and officers' liability insurance

During the year, the Company paid a premium to insure current directors or officers of the Company against certain liabilities.

The insured perils under the policy are:

Directors and officers

The insurer agrees to pay (unless otherwise stated) on behalf of each director or officer all losses which he/she becomes legally obligated to pay on account of any claims first made against him/her during the policy period for a wrongful act committed before or during the policy period.

Company reimbursement

To reimburse the company for payments, it is legally entitled or obliged to indemnify directors or officers for claims made against them whilst acting in their capacity as directors or officers. It will not reimburse the company for claims made against the company.

Limit of liability is \$10,000,000 for any one incidence.

Premium for the year was \$12,450 (2019:\$10,720).

Indemnifying auditor

No indemnities have been given or insurance or premiums paid, during or since the end of financial year, for any person who is or has been an auditor of the entity.

Proceedings on behalf of the entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any such proceedings during the year.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Information on Directors

Belinda Adams

Non-Executive Director since 11 November 2015

Chair since 22 November 2019

Experience and Special Responsibilities

Belinda Adams was a primary school teacher for 10 years before joining the family farming business, Coastal Hydroponics, on the Gold Coast. The business supplies herbs and packaged leaf salads to Coles. Belinda entered the business to take over the Quality Assurance program and was then promoted to the Production Manager's role.

Belinda has been the Queensland representative on the board of EnviroVeg, a program dedicated to creating a profitable vegetable industry based on environmentally sustainable production available through AUSVEG. Belinda is the current Deputy Chair of AUSVEG.

She participated in Growcom's young growers leadership program 'Next Gen' in 2011 and has also taken part in professional development training programs for Quality Assurance. She has been keenly involved in Growcom's Women in Horticulture program and was awarded a bursary for professional development within the industry in 2012.

She was awarded AUSVEG Horticultural Woman of the Year in 2013 and Grower of the Year in 2014.

Les Williams

Non-Executive Director since 14 November 2013

Chair to 22 November 2019

Experience and Special Responsibilities

Les Williams is a third generation Wamuran pineapple grower. He was a director of Elimbah Co-operative for 20 years finishing in 2011. In 2007 he took on the role of Pineapple Growers Advancement Group (PGAG) Research and Development Representative.

The PGAG has been integral in the development of the pineapple industry. As part of his PGAG role, Les helped develop the Pineapple Industry strategic Plan and the pineapple levy. He was voted the Pineapple Grower of the Year by industry in 2012. Les completed the Building Rural Leader's program in 2007 and the Next Generation Leadership program in 2013.

Les is a former Director of the Queensland Farmers' Federation (QFF) and member of the QFF Policy Council. He is also the former Chairman of Queensland Horticultural Council.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Col Jeacocke

Non-Executive Director since 14 November 2013

Experience and Special Responsibilities

Colin Jeacocke is a mango and dragon fruit grower at Gin Gin with extensive experience in fruit and vegetable production. He has also travelled widely and has been involved in international research and marketing. Col has been an active member over many years contributing to a number of local and regional commodity associations and grower groups, including being a past member of the Queensland Fruit & Vegetable Growers and Bundaberg Fruit & Vegetable Growers Boards. He has also been the past Chairman of the Queensland Mango Committee and Gin Gin Fruit and Vegetables Association.

Sharron Windolf

Appointed as Director at AGM on 11 November 2015

Experience and Special Responsibilities

Sharron Windolf is based in the Lockyer Valley and plays an integral role in the management of Windolf Farms along with husband Paul, and other family members. Windolf Farms produces vegetables and fruit for local, interstate and export markets.

Sharron had a background in banking and retail before becoming involved in the horticulture industry. Sharron holds a Bachelor of Commerce from the University of Southern Queensland, is a member of the Australian Institute of Company Directors and has contributed to various community groups over the years.

Sharron is a director of Austsafe Super. She is a member of the Sunsuper Rural and Regional Advisory Committee, a committee member of Lockyer Valley Growers and a member of the Pre Farm Gate Hort Innovation Advisory Panel.

In 2016 Sharron was awarded the AUSVEG Woman in Horticulture Award and is the Chair of the Finance and Audit sub-committee.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Joe Moro

Non-Executive Director since 23 November 2016
Vice Chair since 22 November 2019

Experience and Special Responsibilities

Joe is Chairman of the Mareeba District Fruit & Vegetable Growers Association {FNQ Growers} and a mango grower. Joe has many years of experience in business and the horticulture industry, as well as wider community involvement across North Queensland.

He has been Chairman of the FNQ Growers since 1995 and in 1997 he was appointed by the Queensland Government to the Queensland Horticultural Institute Board in the Department of Primary Industries. He was a Mareeba Shire Councillor from 2000 until 2008 and is a Director of Queensland Farmers' Federation.

Joe is the Chairman of Queensland Horticultural Council, a member of Queensland Farmers' Federation Policy Council and the Water and Energy committee.

Joe also helped in the formation of the Australian Mango Industry Association and went on to serve as Chairman. He is a dedicated and experienced farmer and proprietor of the family farming business, A Moro & Son. He has grown a wide variety of crops over the years including pumpkins, zucchini, cucumbers, capsicums, tomatoes, papaws, watermelons, citrus and tobacco, but now solely grows mangoes.

Judy Shepherd

Appointed as Casual Director 15 September 2016
Non-Executive Director since 23 November 2016

Experience and Special Responsibilities

Judy Shepherd is a citrus orchardist in Gayndah. She operates three mandarin orchards with her husband and son for the Australian domestic markets and export markets throughout the world.

Judy's focus is on the strategic operational direction of the enterprise with an emphasis on emerging Asian markets and establishing strong relationships with export customers. Through her role as Secretary of the Gayndah Fruitgrowers Association, she has worked locally in the industry for many years to ensure growers have access to best practice models and support in WHS, HR and IR processes and compliance.

Judy holds a Bachelor of IT, Computer Software Engineering, and a Diploma of Agribusiness. She was an enthusiastic participant in the Growcom Women in Horticulture Program and received a bursary in 2012 to pursue further professional development.

Judy is a member of the Queensland Horticulture Council. She is also the Manager of a successful Regional Disability Employment site and works in this role as an advocate for people with a disability in their employment and training goals throughout the North Burnett region.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Michael Kent

Appointed as Casual Director 23 April 2019

Experience and Special Responsibilities

Michael Kent is an experienced corporate governance professional and in-house commercial lawyer. Michael holds qualification as a solicitor and Chartered Secretary.

He is General Counsel for Transit Systems Pty Ltd, an Australian-based international multi-disciplinary transport solutions provider which operates 3000 buses and employs over 6700 employees in Australia, the United Kingdom, Singapore, New Zealand and the USA.

Michael has previously held board or governance roles in the not-for-profit, aged care and maritime pilotage industries.

Tim Carnell

Non-Executive Director since 22 November 2019

Tim Carnell is a fourth-generation horticultural producer from Glen Aplin on the Granite Belt where he currently farms with his wife Felicity, and parents Trevor and Alison. Tim operates Kirra Pines Farming growing tomatoes, capsicums and leeks on 101 hectares across nine growing sites.

Tim has a passion for horticulture and his local growing community and currently serves as Vice-President on the Stanthorpe and Granite Belt Chamber of Commerce. Through this appointment he was involved in the Emu Swamp Dam Steering Committee and also heavily involved in the inception of the Granite Belt Growers Association taking on the role as interim-President during the development phase.

Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year were:

| Name | Director's Meetings | | Finance & Audit Committee | |
|----------------|---------------------------|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Les Williams | 5 | 2 | | |
| Colin Jeacocke | 5 | 4 | | |
| Sharon Windolf | 5 | 5 | 2 | 2 |
| Belinda Adams | 5 | 5 | 2 | 2 |
| Joe Moro | 5 | 5 | | |
| Judy Shepherd | 5 | 5 | 2 | 2 |
| Michael Kent | 5 | 3 | 2 | 1 |
| Tim Carnell | 5 | 5 | | |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

Significant after balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the entity in future financial years.

Likely future development and expected results

The information required by section 299(1) (e) of the Corporations Act 2001 has been omitted from the report because the directors believe that it would result in unreasonable prejudice to the entity.

Performance in relation to environmental regulation

There has been no matter either during or since the end of the financial year which in the opinion of the directors would give rise to any conflict with the provisions of existing environmental regulation.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on the page following the directors' report.

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

B Adams

Belinda Adams
Chair

Sharron Windolf

Sharron Windolf
Chair Finance and Audit Committee

Dated this *23rd* day of *OCTOBER* 2020

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

AUDITOR'S INDEPENDENCE DECLARATION



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www.bdo.com.au

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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF QUEENSLAND FRUIT AND VEGETABLE GROWERS LTD

As lead auditor of Queensland Fruit and Vegetable Growers Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R MANN
Director

BDO Audit Pty Ltd

Brisbane, 23 October 2020

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|--|----------|------------------|------------------|
| Income from Continuing Operations | | | |
| <i>Revenue</i> | | | |
| Project Revenue | | 3,185,331 | 3,163,183 |
| Other revenue from ordinary activities | | 1,118,290 | 1,155,718 |
| Interest revenue | | 27,834 | 32,027 |
| Gain on sale of Property, Plant and Equipment | | 31,932 | 16,364 |
| Total Income from Continuing Operations | 2 | 4,363,387 | 4,367,292 |
| Expenses from Continuing Operations | | | |
| Employee benefits expense | | 2,282,961 | 2,103,019 |
| Depreciation and amortisation | | 171,602 | 53,210 |
| Rental expense and operating leases | | 32,604 | 197,484 |
| Office expenses | | 248,679 | 244,499 |
| Project management expenses | | 928,987 | 997,027 |
| Travel expenses | | 79,320 | 129,835 |
| Other expenses | 3 | 342,404 | 339,182 |
| Finance costs | | 17,652 | 21 |
| Total Expenses from Continuing Operations | | 4,104,209 | 4,064,277 |
| Profit/(loss) before income tax | | 259,178 | 303,015 |
| Income tax expense | 1(h) | - | - |
| Profit/(loss) for the year | | 259,178 | 303,015 |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | 259,178 | 303,015 |

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|----------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 2,430,578 | 2,364,110 |
| Trade and other receivables | 5 | 428,232 | 439,278 |
| Total current assets | | 2,858,810 | 2,803,388 |
| Non-Current Assets | | | |
| Right-of-use assets | 6 | 396,788 | - |
| Property, plant and equipment | 7 | 142,102 | 114,941 |
| Total non-current Assets | | 538,890 | 114,941 |
| Total assets | | 3,397,700 | 2,918,329 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 304,569 | 343,921 |
| Lease liabilities | 9 | 138,528 | - |
| Contract liabilities | 10 | 310,373 | 1,142,931 |
| Current employee provisions | 11 | 62,075 | 57,811 |
| Total current liabilities | | 815,545 | 1,544,663 |
| Non-current liabilities | | | |
| Non-current employee provisions | 11 | - | - |
| Lease liabilities | 9 | 235,700 | - |
| | | 235,700 | - |
| Total liabilities | | 1,051,245 | 1,544,663 |
| Net assets | | 2,346,455 | 1,373,666 |
| EQUITY | | | |
| Retained earnings | | - | - |
| Reserves | | 2,346,455 | 1,373,666 |
| Total equity | | 2,346,455 | 1,373,666 |

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2020

| | Note | Accumulated Surplus/Deficit \$ | Corporate Reserve \$ | Total \$ |
|---|------|--------------------------------------|----------------------------|-----------------------|
| Balance 1 July 2018 | | - | 1,070,651 | 1,070,651 |
| Profit attributable to the entity | | 303,015 | - | 303,015 |
| <i>Total comprehensive income for the year</i> | | <i>303,015</i> | <i>-</i> | <i>303,015</i> |
| Transfer to and from reserves | | (303,015) | 303,015 | - |
| Balance 30 June 2019 | | - | 1,373,666 | 303,015 |
| Impact of AASB 1058 & AASB 15 | 1 | - | 713,611 | 713,611 |
| Balance 30 June 2019 (restated) | | - | 2,087,277 | 1,016,626 |
| Profit attributable to the entity | | 259,178 | - | 259,178 |
| <i>Total comprehensive income for the year</i> | | <i>259,178</i> | <i>-</i> | <i>259,178</i> |
| Transfer to and from reserves | | (259,178) | 259,178 | - |
| Balance 30 June 2020 | | - | 2,346,455 | 2,346,455 |

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

STATEMENT OF CASH FLOWS for the year ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipt of project revenue | | 4,195,721 | 4,789,293 |
| Payments to suppliers and employees | | (3,949,772) | (4,067,684) |
| Interest received | | 27,834 | 32,027 |
| Finance Cost | | (123) | (21) |
| Net cash (used in)/provided by operating activities | | <u>273,660</u> | <u>753,615</u> |
| Cash flows from investing activities | | | |
| Proceeds on sale of property, plant and equipment | | 34,228 | 16,364 |
| Payments for property, plant and equipment | | (86,547) | 32,745 |
| Net cash provided by investing activities | | <u>(52,319)</u> | <u>49,109</u> |
| Cash flows from financing activities | | | |
| Repayment of finance lease commitments | | (154,873) | (3,002) |
| Net cash provided by/(used in) financing activities | | <u>(154,873)</u> | <u>(3,002)</u> |
| Net increase in cash and cash equivalents | | 66,468 | 799,722 |
| Cash and cash equivalents at beginning of financial year | | 2,364,110 | 1,564,388 |
| Cash and cash equivalents at the end of financial year | 4 | <u>2,430,578</u> | <u>2,364,110</u> |

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

Notes index

| | |
|----------|--|
| Note 1: | Statement of Significant Accounting Policies |
| Note 2: | Revenue and Other Income |
| Note 3: | Expenses |
| Note 4: | Cash and Cash Equivalents |
| Note 5: | Trade and Other Receivables |
| Note 6: | Right-of-use Assets |
| Note 7: | Property, Plant and Equipment |
| Note 8: | Trade and Other Payables |
| Note 9: | Lease Liabilities |
| Note 10: | Contract Liabilities |
| Note 11: | Provisions |
| Note 12: | Reserves |
| Note 13: | Capital and leasing commitments |
| Note 14: | Members' Guarantee |
| Note 15: | Related Party Transactions |
| Note 16: | Director remuneration |
| Note 17: | Key Management Personnel Remuneration |
| Note 18: | Events after the reporting date |
| Note 19: | Entity Details |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The financial statements are for Queensland Fruit & Vegetable Growers Limited (QFVG) as an individual entity, incorporated and domiciled in Australia. Queensland Fruit & Vegetable Growers Limited is a company limited by guarantee. The entity is considered a not-for-profit for the purpose of preparing these financials.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit entities.

The financial statements have been prepared on an accruals basis and are based on historical costs, except for financial assets for which a fair value basis has been adopted.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(i) New and amended standards adopted

The entity has adopted all of the new, revised or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The following Accounting Standards and Interpretation are most relevant to the Company:

AASB 1058 Income of Not-For-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirement for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

(i) New and amended standards adopted (continued)

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies in Note 1 (a) below.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

At 1 July 2019, the date of initial application of AASB 1058 and AASB 15, the impact on retained earnings was \$713,611. The impact of the disclosures under AASB 1058 and AASB 1058 compared with the previous Accounting Standards is as follows:

| | <i>Previous</i> | <i>Impact</i> | <i>Adjusted</i> |
|---------------------------|-----------------|---------------|-----------------|
| Retained Earnings | 1,373,666 | 713,611 | 2,087,277 |
| Other Current Liabilities | 1,142,931 | - | - |
| Contract Liabilities | - | 1,142,931 | 1,142,931 |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)***AASB 16 Leases***

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets, and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (earnings before interest, tax, depreciation and amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in the statement of comprehensive income.

Impact of adoption

The company has elected to adopt AASB 16 retrospectively with the cumulative effect of initially applying AASB 16 recognised at the date of initial application (1 July 2019). Consequently, the comparative period has not been restated. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 July 2019.

On transition to AASB 16, the company elected to measure all leases previously classified as operating leases under AASB 117 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognised in the statement of financial position immediately before the date of initial application.

These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The company has identified a range of incremental borrowing rates across its lease liabilities from 3.86% to 4.86%.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

(i) New and amended standards adopted (continued)

The impact of adoption was as follows:

| | 1 July 2019 |
|---|----------------|
| | \$ |
| Operating lease commitments as at 1 July 2019 (AASB 117) | 496,865 |
| Less: operating leases not subject to AASB 16 | - |
| Discounted using the company's incremental borrowing rate | 496,040 |
| Lease liability recognised at 1 July 2019 | 496,040 |

The lease liability is split between the following balances:

| | |
|--|----------------|
| Current lease liability | 131,628 |
| Non-current lease liability | 364,412 |
| Total lease liability recognised at 1 July 2019 | 496,040 |

A right-of-use asset is recognised at the date of initial application at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. This is summarised below:

| | 1 July 2019 |
|--|----------------|
| | \$ |
| Right-of-use asset (recognised at 1 July 2019) | 496,040 |
| Total right-of-use asset | 496,040 |

There was no impact to accumulated surplus/deficit on adoption of AASB 16.

(a) Revenue*Income of Not-For-Profit Entities*

A number of the Company's projects are supported by grants received from Government. These grants, although enforceable agreements, do not contain sufficiently specific performance obligations and therefore receipt of income is recognised under AASB 1058.

The core grant funding received funds the day-to-day operational expenditure of the Company. These funds do not result in the acquisition or construction of any recognisable non-financial assets, nor do they give rise to specific performance obligations, other than the requirement to operate in a specific industry sector. The reporting requirements set out within the Funding Agreements are not in itself a performance obligation as they do not transfer any benefit to the customer. When funds have been commingled with other funds, such as general purpose funds, used to fund administrative services as well as those related to the objectives of the entity, it is not possible to reliably determine what transfer of goods or services may have occurred using the specific funds. Grant income without 'sufficiently specific' performance obligations is recognised under AASB 1058.

Revenue from contracts with customers

The company applies AASB 15 to recognise revenue when an agreement is enforceable and contains performance obligations to transfer goods or services that are sufficiently specific to determine when the obligation has been satisfied. For an arrangement that is not within the scope of AASB 15, and not otherwise within the scope of other standards, it would be treated as contribution income under AASB 1058 (for example a cash donation without conditions).

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

(a) Revenue (continued)

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Contact assets and liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are balances due from customers under contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the services transferred to date. Amounts are generally reclassified to receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

| Class of fixed asset | Depreciation rate |
|-----------------------------------|--------------------------|
| Motor Vehicles and forklifts | 5-10 years |
| Furniture, fittings and equipment | 3-10 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset class's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

As explained in note 1 above, the company has changed its accounting policy for leases where the group is the lessee. The new policy and impact of the change is detailed in note 1 above.

Until 30 June 2019, leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity were classified as finance leases. Finance leases were capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets were depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments were allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, were charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases were recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)

(d) Financial instruments

Financial Assets

Financial assets are classified in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether an irrevocable election has been made at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Debt investments are reclassified when and only when its business model for managing those assets changes.

Measurement

At initial recognition, financial assets are measured at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the cash flow characteristics of the asset. Queensland Fruit & Vegetable Growers Ltd has cash and cash equivalents and trade and other receivables as financial assets. Consequently, the most relevant measurement category is as follows:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)**(d) Financial instruments (continued)***Impairment*

The expected credit losses associated with its debt instruments carried at amortised cost are assessed on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a low allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Financial Liabilities

Financial liabilities are measured at amortised cost. Queensland Fruit & Vegetable Growers Ltd has trade and other payables as financial liabilities.

(e) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies (continued)**(h) Income tax**

The company is a tax exempt organisation in accordance with section 50 40 ITAA 1997 as determined by the Directors. No provision has been made for income tax as the Company operates solely as a not-for-profit organisation promoting development of Australian resources and qualifies for exemption from income tax under S50 40 ITAA 1997. In addition, no dividends can or will be paid by the Company due to its constitution.

(i) Unearned project revenue

Unearned project revenue represent liabilities for project revenue received prior to the end of the financial year and which are unearned as at the reporting date.

(j) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations:

- AASB 2018-6 Amendments to Australian Accounting Standards: Definition of a Business (effective from 1 July 2021).
- AASB 2018-7 Amendments to Australian Accounting Standards: Definition of Material (effective from 1 July 2021).
- AASB2020-1 Amendments to AASs - Classification of Liabilities as Current or Non-current (effective 30 June 2023).

(l) Assessment of whether a grant is 'reciprocal' or 'non-reciprocal'

The company receives various grants from government bodies. As disclosed in Note 1 (l) above the company is required to make an assessment of whether a grant consists of a 'non-reciprocal transfer' that is accounted for in accordance with AASB 1058 *'Income of Not-For-Profit Entities'* or as a 'reciprocal transfer' that is accounted for in accordance with AASB 15 *'Revenue from Contracts with Customers'*. The accounting policy for each of these is disclosed in Note 1 (a).

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | | 2020 \$ | 2019 \$ |
|---|------|-------------------------|-------------------------|
| 2. Revenue and Other Income | | | |
| <i>Revenue from contracts with customers (AASB 15):</i> | | | |
| Project Grant Revenue | | | |
| Government grants | (ii) | 18,742 | 14,273 |
| Other grants | (ii) | 394,092 | 115,229 |
| Other Revenue | | | |
| Memberships | (i) | 221,526 | 248,316 |
| Sponsorships | (i) | 206,110 | 201,318 |
| Commissions | (i) | 450,247 | 438,674 |
| Products | (i) | 37,560 | 85,040 |
| Consultancy | (i) | 57,598 | 91,230 |
| Other | (i) | 104,825 | 96,022 |
| Total revenue from contracts with customers | | <u>1,490,700</u> | <u>1,290,102</u> |
| <i>Income of not-for-profit entities (AASB 1058):</i> | | | |
| Grants | | <u>2,692,497</u> | <u>2,962,259</u> |
| Other Income | | | |
| Interest | | 27,834 | 32,027 |
| Other income | | 120,423 | 66,539 |
| Gain/(loss) on disposal of property, plant and equipment | | 31,932 | 16,364 |
| Total other income | | <u>180,189</u> | <u>114,930</u> |
| Total Revenue and Other Income | | <u>4,363,387</u> | <u>4,367,291</u> |
| (i) The company derives revenue from the transfer of goods and services at a point in time. | | | |
| (ii) The company derives revenue from the transfer of goods and services over time. | | | |
| 3. Expenses | | | |
| Profit before income tax includes the following specific expenses | | | |
| Audit services | | 24,937 | 19,400 |
| Overheads & membership | | 248,412 | 199,749 |
| Other expenses | | 69,055 | 120,033 |
| Total | | <u>342,404</u> | <u>339,182</u> |
| Rental expense relating to operating leases | | | |
| Total rent related expenses | | 32,604 | 197,484 |
| Superannuation | | | |
| Defined contribution superannuation expense | | 183,440 | 172,266 |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|---|------------------|------------------|
| 4. Cash and cash equivalents | | |
| Current | | |
| Cash at bank | 1,581,678 | 1,509,951 |
| Cash on hand | 611 | 1,283 |
| Short term deposits | 848,289 | 852,876 |
| Total | 2,430,578 | 2,364,110 |
| <i>(i) Reconciliation to cash flow statement</i> | | |
| The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows: | | |
| Balances as above | 2,430,578 | 2,364,110 |
| Bank overdrafts | - | - |
| Balances per statement of cash flows | 2,430,578 | 2,364,110 |
| 5. Trade and other receivables | | |
| Current | | |
| Trade receivables | 370,212 | 181,638 |
| Loss allowance | - | - |
| | 370,212 | 181,638 |
| Other receivables | 58,020 | 257,639 |
| Total | 428,232 | 439,277 |
| 6. Right-of-use assets | | |
| Right-of-use assets | 511,572 | - |
| Less: Accumulated depreciation | (114,784) | - |
| | 396,788 | - |
| <i>Movement schedule:</i> | | |
| Balance at 30 June 2020 | | - |
| Balance at 1 July 2019 on adoption | | 496,040 |
| Additions | | 15,532 |
| Depreciation | | (114,784) |
| Balance at 30 June 2020 | | 396,788 |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|---|------------|------------|
| 7. Property, Plant & Equipment | | |
| Furniture, fixture and fittings | | |
| At cost | 107,083 | 89,446 |
| Less accumulated depreciation | (91,754) | (89,446) |
| | 15,329 | - |
| Motor vehicles | | |
| At cost | 273,130 | 274,618 |
| Less accumulated depreciation | (146,357) | (159,677) |
| | 126,773 | 114,941 |
| Total | 142,102 | 114,941 |

| | Furniture, fittings and equipment | Motor vehicles and forklifts | Total |
|--|--------------------------------------|------------------------------------|----------|
| | \$ | \$ | \$ |
| Carrying amount at the beginning of the year | - | 114,941 | 114,941 |
| Additions at cost | 17,637 | 68,910 | 86,547 |
| (Disposals) at net book value | - | (2,296) | (2,296) |
| Depreciation expense | (2,308) | (54,782) | (57,090) |
| Carrying amount at end of year | 15,329 | 126,773 | 142,102 |

| | 2020 \$ | 2019 \$ |
|------------------------------------|------------|------------|
| 8. Trade and other payables | | |
| Current | | |
| Trade payables | 67,286 | 119,684 |
| Accrued expenses | 102,600 | 122,762 |
| Annual leave accrual | 134,683 | 101,474 |
| Total | 304,569 | 343,920 |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 | 2019 |
|--|----------------|------------------|
| | \$ | \$ |
| 9. Lease Liabilities | | |
| Current | | |
| Lease liabilities, secured | 138,528 | - |
| | <u>138,528</u> | <u>-</u> |
| Non-Current | | |
| Lease liabilities, secured | 235,700 | - |
| | <u>235,700</u> | <u>-</u> |
| Total | <u>374,228</u> | <u>-</u> |
| Lease liabilities are secured by the underlying leased assets. | | |
| 10. Contract Liabilities | | |
| Current | | |
| Unearned project revenue | 310,373 | 1,142,931 |
| Total | <u>310,373</u> | <u>1,142,931</u> |
| No interest is payable on unearned project revenue. | | |
| 11. Provisions | | |
| Current | | |
| Long-term employee entitlements | 62,075 | 57,811 |
| | <u>62,075</u> | <u>57,811</u> |
| Non-current | | |
| Long-term employee entitlements | - | - |
| | <u>-</u> | <u>-</u> |
| Total | <u>62,075</u> | <u>57,811</u> |

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

12. Reserves

Corporate Reserve

The corporate reserve is utilised to support the principal business activities of Queensland Fruit & Vegetable Growers Limited as listed in the Director's Report, in furtherance of the horticulture industry's success.

| 2020 | 2019 |
|------|------|
| \$ | \$ |

13. Capital and leasing commitments**a. Operating Lease Commitments**

Non-cancellable operating lease contracted for but not capitalised in the financial statements

Payable:

| | | |
|---|-------|---------|
| minimum lease payments | - | 131,368 |
| not later than 12 months | - | 365,497 |
| later than 12 months but not later than 5 years | - | 496,865 |
| | <hr/> | <hr/> |
| | - | 496,865 |

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitments may occur in line with CPI.

14. Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2020 the number of members was 332 (2019: 402).

15. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 | 2019 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| 16. Director remuneration | | |
| Director remuneration | 87,366 | 50,747 |
| Total | 87,366 | 50,747 |

The Chair received \$10,000 in Chair fees for the 2019-2020 financial year. The Chair and Directors were paid \$1,500 per meeting attended for the 2019-2020 financial year. The Chair and Directors were also entitled to claim expenses directly related to attending meetings (pursuant to the constitution).

| | | |
|--|----------------|----------------|
| 17. Key Management Personnel remuneration | | |
| Short-term employee benefits | 302,470 | 275,188 |
| Termination benefits | - | - |
| Total | 302,470 | 275,188 |

18. Events after the reporting date

There are no events that have occurred after the reporting date that require disclosure.

19. Entity Details

The registered office of the entity and principal place of business is:
 Queensland Fruit & Vegetable Growers Limited
 Level 3, 183 North Quay, Brisbane, QLD 4000.

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' DECLARATION

In the director's opinion:

- (a) the financial statements and notes, as set out on pages 16 to 35 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

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



B Adams
Chair



S Windolf
Chair Finance and Audit Committee

Dated this 23rd day of OCTOBER 2020



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INDEPENDENT AUDITOR'S REPORT

To the members of Queensland Fruit and Vegetable Growers Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Fruit and Vegetable Growers Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Queensland Fruit and Vegetable Growers Ltd, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

T R MANN

Director

Brisbane, 23 October 2020

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