



# 2017|2018 ANNUAL REPORT

Queensland Fruit & Vegetable Growers Limited



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

**for the financial year ended 30 June 2018**



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***Queensland Fruit & Vegetable Growers Limited Financial Statements 2017-2018***

ACN 090 816 827

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**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 +61 3620 3844

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# ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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Your directors present this report on the entity for the financial year ended 30 June 2018.

Les Williams - Chairman  
Derek Lightfoot - Vice Chairman  
Colin Jeacocke  
Jonathan Shaw  
Belinda Adams  
Sharron Windolf  
Judy Shepherd  
Joe Moro

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:**

- o lobbying and policy development
- o product promotions and advertising services to industry and industry development
- o market access and value-chain development
- o funding and managing research and development
- o industrial relations and human resources consulting
- o strategic plans and project management
- o creative communications and marketing
- o 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 2018 was \$62,776 (2017 profit: \$204,880).

### **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:**

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

#### **The company's long-term objectives are to:**

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

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

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

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## ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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#### **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 \$10,000 (2017:\$10,000).

#### **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.

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# *Queensland Fruit & Vegetable Growers Limited*

ACN 090 816 827

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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### **Information on Directors**

#### **Les Williams**

Non-Executive Director since 14 November 2013  
Chairman since 23 November 2016

#### **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 2015. In 2007 he took on the role of Pineapple Growers Advancement Group (PGAG) Research and Development Representative. 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 the industry in 2012. Les completed the Building Rural Leader's program in 2007 and the Next Generation Leadership program in 2013.

Mr Williams is a Director of the Queensland Farmers' Federation. He is a member of the Queensland Horticultural Council and a member of Queensland Farmers' Federation Policy Council. He is a member of the Finance and Audit sub-committee.

#### **Derek Lightfoot**

Non-Executive Director since 14 November 2013  
Vice Chairman since 14 November 2013

#### **Experience and Special Responsibilities**

Derek Lightfoot is the Managing Director of Tropical Pines Pty Ltd and has a keen interest in the welfare, growth and profitability of all grower enterprises across the industry.

Mr Lightfoot has a strong domestic and international background in business management, finance and risk management having held senior positions with such organisations as KPMG, Bank of Queensland Ltd, Brisbane City Council, and The Rock Building Society Ltd.

Derek is a member of the Queensland Small Business Advisory Council and is a Director of Capricorn Enterprise. He is a Fellow of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia and a Fellow of the Institute of Managers and Leaders. Derek holds a Bachelor of Commerce.

He is the Chair of the Finance and Audit sub-committee.

#### **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.



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## ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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#### **Jonathan Shaw**

Non-Executive Director since 14 November 2013

#### Experience and Special Responsibilities

Jonathan and his wife Julie own and operate Mt Nimmel Blueberry Farm at Austinville in the Gold Coast hinterland, which they established in 2006.

Jonathan holds Bachelors of Commerce and Law from the University of Queensland. After a 30 year legal career as a partner in a national law firm, Jonathan commenced farming and working as a consultant in the agribusiness sector and company director.

Jonathan joined the Growcom Board in 2013 and served as Chair until he stood down from the position in 2016. After 5 years on the Board, Jonathan retires as a director at this year's AGM.

#### **Belinda Adams**

Non-Executive Director since 11 November 2015

#### 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.

She 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. Along with being the current Deputy Chair of Ausveg, she is also a Hort Innovation consumer alignment team member and an advisor to Vegpro – an industry driven professional training package.

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.

Participant in the 2017 Women's Executive Leadership Program with Women and Leadership Australia

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

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## ***Queensland Fruit & Vegetable Growers Limited***

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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#### **Sharron Windolf**

##### **Experience and Special Responsibilities**

Appointed as Director at AGM on 11 November 2015

Sharron Windolf plays an integral role in the management and success of Windolf Farms in partnership with husband and dedicated vegetable farmer, Paul, and other business partners. Windolf Farms produces vegetables for supermarkets, local, interstate and overseas markets. Sharron has lived in farming areas of South East Queensland for most of her life and became involved in production horticulture on marrying Paul.

She has a Bachelor of Commerce from the University of Southern Queensland. She is a member of the Hort Innovation Vegetable Productivity Advisory Committee, a Committee member of the Lockyer Valley Growers Association, and a member of the Australian Institute of Company Directors.

Sharron is Growcom's nomination as board member of Austsafe Superannuation Fund.

She was awarded the Ausveg Woman in Horticulture Award in 2016 and is a member of the Finance and Audit sub-committee.

#### **Joe Moro**

##### **Experience and Special Responsibilities**

Non-Executive Director since 23 November 2016

Joe Moro was Born in Mareeba with a Farming background, now a mango farmer and also involved in a motor mechanic business called Moro Auto Repairs. As President of Mareeba District Fruit and Vegetable Growers Association since 1995 has led him into becoming involved in a number of community actives and organizations. He has had a long involvement in the community interests. Not only does he deal with fruit and vegetable issues but also a wide range of economic development and social issues as well.

He has represented the area on a local, state and national basis. He has always had a wide community interest and see an important need for a strong voice, and someone who can find and pursue the issues for the Atherton Tableland Community.

Joe also helped in the formation of the Australian Mango Industry Association and went on to serve as Chairman of the Board. 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. However, Joe now solely grows mangoes.

Some of the organization he is currently involved:

- Board director of Growcom and Queensland Horticulture Council.
- Member of Mango Industry Strategic Investment Advisory Panel,
- President of Mareeba Chamber of Commerce
- Treasurer of the Rotary FNQ Field Day
- Chair of FNQ Growers
- Treasurer of Mareeba and District Flexible Service (Flexichoice).
- Committee member of FNQ and Torres Strait RDA

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## ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018**

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#### **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 in the North Burnett region. 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 & District 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.

She has 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 Horticultural Council and in her spare time is involved locally in major community events through Disaster Recover Committees and engagement with Local and State Government stakeholders. 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 2018

### 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	4	4	3	3
Derek Lightfoot	4	4	3	3
Colin Jeacocke	4	4		
Jonathan Shaw	4	3		
Sharron Windolf	4	4	3	3
Belinda Adams	4	4		
Joe Moro	4	4		
Judy Shepherd	4	4		

### 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 2018 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.



Les Williams  
Chairman



Derek Lightfoot  
Chairman Finance and Audit Committee

Dated this 5<sup>th</sup> day of October 2018

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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

## AUDITOR'S INDEPENDENCE DECLARATION

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Level 10, 12 Creek St  
Brisbane QLD 4000  
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Australia

### DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF QUEENSLAND FRUIT & VEGETABLE GROWERS LIMITED

As lead auditor of Queensland Fruit & Vegetable Growers Limited for the year ended 30 June 2018, 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, 5 October 2018

# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Income from Continuing Operations</b>			
<b>Revenue</b>			
Project Revenue		2,195,193	2,304,280
Other revenue from ordinary activities		1,017,630	1,128,706
Interest revenue		34,057	31,127
<b>Total Income from Continuing Operations</b>		<b>3,246,880</b>	<b>3,464,113</b>
<b>Expenses from Continuing Operations</b>			
Employee benefits expense		1,880,727	1,955,586
Depreciation and amortisation		58,854	62,175
Rental expense and operating leases		198,868	196,987
Office expenses		173,702	144,222
Project management expenses		421,531	487,579
Travel expenses		92,040	93,048
Other expenses	2	357,639	316,806
Finance costs		743	2,830
<b>Total Expenses from Continuing Operations</b>		<b>3,184,104</b>	<b>3,259,233</b>
<b>Profit/(loss) before income tax</b>		<b>62,776</b>	<b>204,880</b>
Income tax expense	1(h)	-	-
<b>Profit/(loss) for the year</b>		<b>62,776</b>	<b>204,880</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>62,776</b>	<b>204,880</b>

*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 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	1,564,388	1,452,355
Trade and other receivables	4	508,104	497,796
<b>Total current assets</b>		<b>2,072,492</b>	<b>1,950,151</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	114,975	147,822
<b>Total non-current Assets</b>		<b>114,975</b>	<b>147,822</b>
<b>Total assets</b>		<b>2,187,467</b>	<b>2,097,973</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	274,658	212,501
Borrowings	7	3,002	32,654
Other current liabilities	8	749,907	777,275
Current employee provisions	9	79,907	49,660
<b>Total current liabilities</b>		<b>1,107,474</b>	<b>1,072,090</b>
<b>Non-current liabilities</b>			
Borrowings	7	-	3,009
Non-current employee provisions	9	9,342	14,999
		<b>9,342</b>	<b>18,008</b>
<b>Total liabilities</b>		<b>1,116,816</b>	<b>1,090,098</b>
<b>Net assets</b>		<b>1,070,651</b>	<b>1,007,875</b>
<b>EQUITY</b>			
Retained earnings		-	-
Reserves		1,070,651	1,007,875
<b>Total equity</b>		<b>1,070,651</b>	<b>1,007,875</b>

The accompanying notes form part of these statements.

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# ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

## **STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2018**

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	<b>Accumulated Surplus/Deficit</b>	<b>Corporate Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance 1 July 2016</b>	-	802,995	802,995
Profit attributable to the entity	204,880		204,880
<b><i>Total comprehensive income for the year</i></b>	<b>204,880</b>	<b>802,995</b>	<b>1,007,875</b>
Transfer to and from reserves	(204,880)	204,880	-
<b>Balance 30 June 2017</b>	-	<b>1,007,875</b>	<b>1,007,875</b>
Profit attributable to the entity	62,776		62,776
<b><i>Total comprehensive income for the year</i></b>	<b>62,776</b>	<b>1,007,875</b>	<b>1,070,651</b>
Transfer to and from reserves	(62,776)	62,776	-
<b>Balance 30 June 2018</b>	-	<b>1,070,651</b>	<b>1,070,651</b>

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*The accompanying notes form part of these statements.*



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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

## STATEMENT OF CASH FLOWS for the year ended 30 June 2018

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	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipt of project revenue		3,127,665	3,155,724
Payments to suppliers and employees		(2,988,016)	(3,369,673)
Interest received		34,057	31,127
Finance Cost		(743)	(2,830)
Net cash provided by/(used in) operating activities		<u>172,963</u>	<u>(185,652)</u>
<b>Cash flows from investing activities</b>			
Proceeds on sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(28,269)	3,213
Net cash provided by/(used in) investing activities		<u>(28,269)</u>	<u>3,213</u>
<b>Cash flows from financing activities</b>			
Repayment of finance lease commitments		(32,661)	(31,623)
Net cash provided by/(used in) financing activities		<u>(32,661)</u>	<u>(31,623)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		112,033	(214,062)
<b>Cash and cash equivalents at beginning of financial year</b>		1,452,355	1,666,417
<b>Cash and cash equivalents at the end of financial year</b>	3	<u>1,564,388</u>	<u>1,452,355</u>

*The accompanying notes form part of these statements.*

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# ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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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.

### **(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 adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

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.

## **1. Accounting policies**

### **(a) Revenue**

#### *Government grants - Reciprocal Transfer*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

#### *Government grants - Non-Reciprocal Transfers*

Government grants related to non-reciprocal transfers are recognised when the company obtains control of the Grant, it is probable that the economic benefits of the grant will flow to the entity and the amount of the grant can be measured reliably.

#### *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).

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# **Queensland Fruit & Vegetable Growers Limited**

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## **1. Accounting policies (contd)**

### **(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:

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
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**

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 are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are 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 are 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, are charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## 1. Accounting policies (contd)

### (d) Financial instruments

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

#### *(i) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

#### *(ii) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### **Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

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# **Queensland Fruit & Vegetable Growers Limited**

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## **1. Accounting policies (contd)**

### **(d) Financial instruments (contd)**

#### **Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### **(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.

### **(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.

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# ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## **1. Accounting policies (contd)**

### **(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**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below.

#### *AASB 9 Financial Instruments*

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The entity has not yet evaluated what impact adoption of this standard will have.

#### *AASB 1058 Income of Not-for-Profit Entities*

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

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# ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## **1. Accounting policies (contd)**

### **(k) Accounting standards issued but not yet effective (contd)**

#### *AASB16 Leases*

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The entity has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

The company receives various grants from government bodies. As disclosed in Note 1 (k) 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 1004 Contributions or as a 'reciprocal transfer' that is accounted for in accordance with AASB 118 Revenue and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. The accounting policy for each of these is disclosed in Note 1 (k).



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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018	2017
	\$	\$
<b>2. Expenses</b>		
Profit before income tax includes the following specific expenses		
Audit services	23,536	16,226
Overheads & membership	218,808	188,499
Other expenses	115,295	114,911
<b>Total</b>	<u>357,639</u>	<u>319,636</u>
Rental expense relating to operating leases		
Total rental expense relating to operating leases	198,868	196,987
Superannuation		
Defined contribution superannuation expense	157,171	165,761
<b>3. Cash and cash equivalents</b>		
Current		
Cash at bank	462,134	350,868
Cash on hand	108	78
Short term deposits	1,102,146	1,101,409
<b>Total</b>	<u>1,564,388</u>	<u>1,452,355</u>
<b>4. Trade and other receivables</b>		
Current		
Trade receivables	365,184	411,583
Other receivables	142,920	86,213
<b>Total</b>	<u>508,104</u>	<u>497,796</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 2018

	2018 \$	2017 \$
<b>5. Property, Plant &amp; Equipment</b>		
Furniture, fixture and fittings		
At cost	89,446	56,409
Less accumulated depreciation	(89,055)	(38,088)
	<u>391</u>	<u>18,321</u>
Motor vehicles		
At cost	307,363	308,221
Less accumulated depreciation	(192,779)	(178,720)
	<u>114,584</u>	<u>129,501</u>
<b>Total</b>	<u>114,975</u>	<u>147,822</u>

	<b>Furniture, fittings and equipment</b>	<b>Motor vehicles and forklifts</b>	<b>Total</b>
	\$	\$	\$
Carrying amount at the beginning of the year	18,321	129,501	147,822
Additions at cost		26,007	26,007
Depreciation expense	(17,930)	(40,924)	(58,854)
Carrying amount at end of year	<u>391</u>	<u>114,584</u>	<u>114,975</u>

	2018 \$	2017 \$
<b>6. Trade and other payables</b>		
Current		
Trade payables	35,493	13,243
Accrued expenses	172,269	98,558
Annual leave accrual	66,896	100,700
<b>Total</b>	<u>274,658</u>	<u>212,501</u>

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# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018	2017
	\$	\$
<b>7. Borrowings</b>		
Current		
Lease liabilities, secured	3,002	32,654
	<hr/> 3,002	<hr/> 32,654
Non-Current		
Lease liabilities, secured	-	3,009
	<hr/> -	<hr/> 3,009
<b>Total</b>	<hr/> <b>3,002</b>	<hr/> <b>35,663</b>
Lease liabilities are secured by the underlying leased assets		
<b>8. Other current liabilities</b>		
Current		
Unearned project revenue	749,907	777,275
	<hr/> 749,907	<hr/> 777,275
<b>Total</b>	<hr/> <b>749,907</b>	<hr/> <b>777,275</b>
No interest payable on unearned project revenue		
<b>9. Provisions</b>		
Current		
Long-term employee entitlements	79,907	49,660
	<hr/> 79,907	<hr/> 49,660
Non-current		
Long-term employee entitlements	9,342	14,999
	<hr/> 9,342	<hr/> 14,999
<b>Total</b>	<hr/> <b>89,249</b>	<hr/> <b>64,659</b>

# Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 10. 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

2018	2017
\$	\$

## 11. Capital and leasing commitments

### a. Finance Lease Commitments

#### Payable:

minimum lease payments

not later than 12 months

3,002	33,404
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later than 12 months but not later than 5 years

-	3,023
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#### Minimum lease payments

3,002	36,427
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Finance lease on one motor vehicle (2017: 3) is a three year lease, with an option to purchase at the end of the lease terms. All finance leases are secured by the assets to which the respective leases relate.

### b. Operating Lease Commitments

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

#### Payable:

minimum lease payments

not later than 12 months

85,398	133,276
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later than 12 months but not later than 5 years

40,034	48,776
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125,432	182,052
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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.

## 12. 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 2018 the number of members was 383 (2017: 396).

## 13. Related Party Transactions

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

## 14. Director remuneration

Director remuneration

55,867	50,347
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**Total**

55,867	50,347
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## ***Queensland Fruit & Vegetable Growers Limited***

ACN 090 816 827

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018	2017
	\$	\$
<b>15. Key Management Personnel remuneration</b>		
Short-term employee benefits	385,807	360,803
Termination benefits	16,059	-
<b>Total</b>	<u>401,867</u>	<u>360,803</u>

### **16. Events after the reporting date**

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

### **17. 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 10 to 25 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 consolidated entity's financial position as at 30 June 2018 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.



**L Williams**  
**Chairman**



**D Lightfoot**  
**Chairman Finance and Audit Committee**

Dated this 5<sup>th</sup> day of October 2018

## 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 2018, the statement of 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 2018 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* (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 Director's 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

A handwritten signature in black ink. The signature starts with the letters 'BDO' in a cursive style, followed by a large, stylized signature that appears to be 'T Mann'.

**T R Mann**

Director

Brisbane, 5 October 2018







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