




2018 | 2019

ANNUAL REPORT

Queensland Fruit & Vegetable Growers Limited



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Chairman's Report

Dear Member,

Another exciting year has passed for our organisation. I am pleased to announce a profit of \$303,015 for the 2018/19 financial year. This strong result is the product of hard work by Growcom's dedicated staff and the realisation of advantageous business opportunities.

This year has been a year of change as we said goodbye to some key staff and welcomed new faces to the team. By now many of you will have met our new CEO David Thomson. David has brought a wealth of experience to the company and a commercial focus.

We also welcomed to the team Fair Farms Program Manager Thomas Hertel who has been leading us through the roll-out of this crucial program. Since its formal launch at the 2019 Hort Connections conference in Melbourne, Fair Farms has been and continues to be widely applauded by both growers and the broader supply chain.

Richard Shannon has also joined us in early 2019 taking on the role of Manager Policy & Advocacy left vacant by the departure of Rachel Mackenzie. Rachel has moved onto bigger things at Berries Australia and we wish her every success in her new role. Richard has stepped into some very big shoes and has made every post a winner.

I would also like to acknowledge the hard work and dedication of the Hort360 team. The Hort360 program and the staff that work with it are widely respected by growers and government. If you haven't already, I would encourage you to engage with this program as I am sure it will be of great benefit and value to your business.

The Queensland Horticulture Council (QHC) continues to address and deliver on key issues relevant to Queensland horticulture. The QHC is chaired by FNQ Growers Chairman and Growcom Director, Joe Moro. I would like to thank all the members of the QHC, they are a passionate and dedicated group who work very hard in their local grower organisations and find time to contribute to the broader growing community.

To my fellow Directors, thank you. I am very proud to work with people who are so dedicated to the success of this organisation and industry. You all go the extra mile. One of our longer serving Directors, Derek Lightfoot has stepped down this year. Derek joined the Growcom Board in 2013 and took on the role of Deputy Chair and Chair of the Finance and Audit Committee (FAC). Derek has been integral to much of the success we are enjoying today. The Board is united in wishing Derek every success in the future.

Your Directors have also seen an increase in their remuneration for the 2019/20 financial year. After reductions over past years, the increase for the current year is modest and still below historic levels.

Finally, the horticulture industry has faced a number of challenges this year. One challenge that stands out is the 2018 strawberry tampering incident. As is typical of Growcom during any emergency or disaster we quickly swung into action. We were able to leverage our reputation and networks to assist industry to obtain financial assistance and on-the-ground support.

Growcom continues to support industry in other areas as well. We are working with growers in the Lockyer Valley in their quest for a workable water solution. For those in Reef catchments, we are working with government for the best possible outcome for horticulture following the passing of the Palaszczuk Government's Environmental Protection (Great Barrier Reef Protection Measures) and Other Legislation Amendment Bill. The Queensland Farmers' Federation has also been a great support and source of expertise on issues relating to water and energy and we will continue to work with them for the benefit of the horticulture industry.



Les Williams
Chairman

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

for the financial year ended 30 June 2019

Queensland Fruit & Vegetable Growers Limited Financial Statements 2018-2019

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 +617 3620 3844

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

Your directors present this report on the entity for the financial year ended 30 June 2019.

Les Williams - Chairman

Derek Lightfoot - Vice Chairman

Colin Jeacocke

Jonathan Shaw - Term ceased at AGM on November 15 2018

Belinda Adams

Sharron Windolf

Judy Shepherd

Joe Moro

Michael Kent - Appointed April 23 2019

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 2019 was \$303,015 (2018 profit: \$62,776).

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'.

Queensland Fruit & Vegetable Growers Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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 \$10,720 (2018:\$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.

Queensland Fruit & Vegetable Growers Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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.

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. Les 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.

Queensland Fruit & Vegetable Growers Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

Jonathan Shaw

Experience and Special Responsibilities

Non-Executive Director since 14 November 2013

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

Experience and Special Responsibilities

Non-Executive Director since 11 November 2015

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. She is the 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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

Sharron Windolf

Experience and Special Responsibilities

Appointed as Director at AGM on 11 November 2015

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 a member of the Finance and Audit sub-committee.

Joe Moro

Experience and Special Responsibilities

Non-Executive Director since 23 November 2016

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.

Queensland Fruit & Vegetable Growers Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

Queensland Fruit & Vegetable Growers Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

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	5	4	4
Derek Lightfoot	5	5	4	4
Colin Jeacocke	5	4		
Jonathan Shaw	2	2		
Sharron Windolf	5	5	4	4
Belinda Adams	5	5		
Joe Moro	5	5		
Judy Shepherd	5	5		
Michael Kent	1	1		

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.

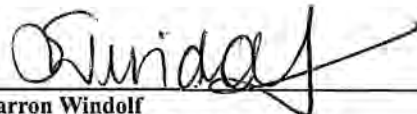
Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2019 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
Chair



Sharron Windolf
Chair Finance and Audit Committee

Dated this 10th day of October 2019

Queensland Fruit & Vegetable Growers Limited

ACN 090 816 827

AUDITOR'S INDEPENDENCE DECLARATION YEAR ENDED 30 JUNE 2019



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
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 2019, 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', written over a light blue horizontal line.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 10 October 2019

Queensland Fruit & Vegetable Growers Limited

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Income from Continuing Operations			
Revenue			
Project Revenue		3,163,183	2,195,193
Other revenue from ordinary activities		1,155,718	1,017,630
Interest revenue		32,027	34,057
Gain on sale of Property, Plant and Equipment		16,364	-
Total Income from Continuing Operations		4,367,292	3,246,880
Expenses from Continuing Operations			
Employee benefits expense		2,103,019	1,880,727
Depreciation and amortisation		53,210	58,854
Rental expense and operating leases		197,484	198,868
Office expenses		244,499	173,702
Project management expenses		997,027	421,531
Travel expenses		129,835	92,040
Other expenses	2	339,182	357,639
Finance costs		21	743
Total Expenses from Continuing Operations		4,064,277	3,184,104
Profit/(loss) before income tax		303,015	62,776
Income tax expense	1(h)	-	-
Profit/(loss) for the year		303,015	62,776
Other Comprehensive Income		-	-
Total Comprehensive Income		303,015	62,776

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

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STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,364,110	1,564,388
Trade and other receivables	4	439,278	508,104
Total current assets		2,803,388	2,072,492
Non-Current Assets			
Property, plant and equipment	5	114,941	114,975
Total non-current Assets		114,941	114,975
Total assets		2,918,329	2,187,467
LIABILITIES			
Current liabilities			
Trade and other payables	6	343,921	274,658
Borrowings	7	-	3,002
Other current liabilities	8	1,142,931	749,907
Current employee provisions	9	57,811	79,907
Total current liabilities		1,544,663	1,107,474
Non-current liabilities			
Non-current employee provisions	9	-	9,342
		-	9,342
Total liabilities		1,544,663	1,116,816
Net assets		1,373,666	1,070,651
EQUITY			
Retained earnings		-	-
Reserves		1,373,666	1,070,651
Total equity		1,373,666	1,070,651

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

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STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Accumulated Surplus/Deficit	Corporate Reserve	Total
	\$	\$	\$
Balance 1 July 2017	-	1,007,875	1,007,875
Profit attributable to the entity	62,776	-	62,776
<i>Total comprehensive income for the year</i>	62,776	1,007,875	1,070,651
Transfer to and from reserves	62,776	62,776	-
Balance 30 June 2018	-	1,070,651	1,070,651
Profit attributable to the entity	303,015	-	303,015
<i>Total comprehensive income for the year</i>	303,015	1,070,651	1,373,666
Transfer to and from reserves	(303,015)	303,015	-
Balance 30 June 2019	-	1,373,666	1,373,666

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

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STATEMENT OF CASH FLOWS for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipt of project revenue		4,789,293	3,127,665
Payments to suppliers and employees		(4,067,684)	(2,988,016)
Interest received		32,027	34,057
Finance Cost		(21)	(743)
Net cash provided by/(used in) operating activities		<u>753,615</u>	<u>172,963</u>
Cash flows from investing activities			
Proceeds on sale of property, plant and equipment		16,364	-
Payments for property, plant and equipment		32,745	(28,269)
Net cash provided by/(used in) investing activities		<u>49,109</u>	<u>(28,269)</u>
Cash flows from financing activities			
Repayment of finance lease commitments		(3,002)	(32,661)
Net cash provided by/(used in) financing activities		<u>(3,002)</u>	<u>(32,661)</u>
Net increase/(decrease) in cash and cash equivalents		799,722	112,033
Cash and cash equivalents at beginning of financial year		1,564,388	1,452,355
Cash and cash equivalents at the end of financial year	3	<u>2,364,110</u>	<u>1,564,388</u>

The accompanying notes form part of these statements.

Queensland Fruit & Vegetable Growers Limited

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Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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).

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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:

Class of fixed asset	Depreciation
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.

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (contd)

(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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (contd)

(d) Financial instruments (contd)

Impairment

From 1 January 2018, 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.

For trade receivables, the simplified approach permitted by AASB 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (contd)

(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) New accounting standards and interpretations

The Consolidated Entity has adopted the new Australian Accounting Standards AASB 9 Financial Instruments. Except for change in accounting policy on financial instruments, the adoption of this standard did not have a material impact to the financial statements.

(l) Accounting standards issued but not yet effective

The following new/ amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2019.

They have not been adopted in preparing the financial statements for the year ended 30 June 2019 and may impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated below.

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

To the extent that the entity, as lessee, has operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

The entity is currently in the process of undertaking a detailed assessment of the impact of AASB 16.

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (contd)

(I) Accounting standards issued but not yet effective (contd)

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019)

Under the new revenue recognition standard, the core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.

The entity is in the process of evaluating the impact on the financial statements on implementation of the Standard.

AASB 1058 Income of Not-for-profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to Not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives; and
- The receipt of volunteer services.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The entity is in the process of evaluating the impact on the financial statements on implementation of the Standard.

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (contd)

(m) 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 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 (l).

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
2. Expenses		
Profit before income tax includes the following specific expenses		
Audit services	19,400	23,536
Overheads & membership	199,749	218,808
Other expenses	120,033	115,295
Total	339,182	357,639
Rental expense relating to operating leases		
Total rental expense relating to operating leases	197,484	198,868
Superannuation		
Defined contribution superannuation expense	172,266	157,171
3. Cash and cash equivalents		
Current		
Cash at bank	1,509,951	462,134
Cash on hand	1,283	108
Short term deposits	852,876	1,102,146
Total	2,364,110	1,564,388
4. Trade and other receivables		
Current		
Trade receivables	181,638	365,184
Other receivables	257,639	142,920
Total	439,277	508,104

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
5. Property, Plant & Equipment		
Furniture, fixture and fittings		
At cost	89,446	89,446
Less accumulated depreciation	(89,446)	(89,055)
	-	391
Motor vehicles		
At cost	274,618	307,363
Less accumulated depreciation	(159,677)	(192,779)
	114,941	114,584
Total	114,941	114,975

	Furniture, fittings and equipment	Motor vehicles and forklifts	Total
	\$	\$	\$
Carrying amount at the beginning of the year	391	114,584	114,975
Additions at cost	-	53,154	53,154
Depreciation expense	(391)	(52,797)	(53,188)
Carrying amount at end of year	-	114,941	114,941

	2019 \$	2018 \$
6. Trade and other payables		
Current		
Trade payables	119,684	35,493
Accrued expenses	122,762	172,269
Annual leave accrual	101,474	66,896
Total	343,920	274,658

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
7. Borrowings		
Current		
Lease liabilities, secured	-	3,002
Total	-	3,002
Lease liabilities are secured by the underlying leased assets		
8. Other current liabilities		
Current		
Unearned project revenue	1,142,931	749,907
Total	1,142,931	749,907
No interest payable on unearned project revenue		
9. Provisions		
Current		
Long-term employee entitlements	57,811	79,907
	57,811	79,907
Non-current		
Long-term employee entitlements	-	9,342
	-	9,342
Total	57,811	89,249

Queensland Fruit & Vegetable Growers Limited

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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.

2019	2018
\$	\$

11. Capital and leasing commitments

a. Finance Lease Commitments

Payable:

minimum lease payments
not later than 12 months

-	3,002
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Minimum lease payments

-	3,002
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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
later than 12 months but not later than 5 years

131,368	85,398
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365,497	40,034
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496,865	125,432
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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 2019 the number of members was 402 (2018: 383).

13. 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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
14. Director remuneration		
Director remuneration	50,747	55,867
Total	<u>50,747</u>	<u>55,867</u>

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

15. Key Management Personnel remuneration		
Short-term employee benefits	376,456	385,807
Termination benefits	14,680	16,059
Total	<u>391,136</u>	<u>401,867</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

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DIRECTORS' DECLARATION

In the director's opinion:

- (a) the financial statements and notes, as set out on pages 10 to 26 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 2019 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
Chair



S Windolf
Chair Finance and Audit Committee

Dated this 10th day of October 2019

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 2019, 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 2019 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

This description forms part of our auditor's report.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 10 October 2019



Primary Producers House
Level 3, 183 North Quay
Brisbane Qld 4000

PO Box 202
Fortitude Valley Qld 4006

PHONE 07 3620 3844

FAX 07 3620 3880

ACN 090 816 827

www.growcom.com.au