



Financial Statements for the year ended 30 June 2020

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ADVANCING SUSTAINABLE AGRIBUSINESS



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Board Report

Message from the General President

Dear Stakeholders

I am writing to provide you with the annual financial report for AgForce Queensland Farmers Ltd for the financial year ended 30 June 2020. This year the Consolidated Group has achieved a Surplus of \$22,733.

I would like to take this opportunity to personally thank you, our Members for your continued support of AgForce as we work to advance sustainable agribusiness, doing all we can to ensure our industry remains profitable and productive now and into the future. We believe our strength lies in our people and it is through the grassroots support of primary producers that we can voice the concerns of agriculture to government and the community. Several of the issues acted on during the year resulted in improvements for drought support, preserved remote area tax concessions, and continued focus on the importance of agricultural education.

AgForce's accumulated assets continue to contribute to the agricultural industry's future, by giving us a strong resource base to advance and provide member and industry benefits. Activities undertaken at the Belmont Research Station near Rockhampton, include the Central Queensland University walkover weighing and stock management research, while Rockhampton Grammar School uses the facility to provide training for school-based traineeships. Further south, near Gayndah, the Department of Agriculture and Fisheries (DAF) lease the Brian Pastures facility to carry out long-term research into herd production and nutrition trials, as well as pasture die back management trials.

During the financial year AgForce was pleased to welcome a cane producer group located in the Burdekin as the fourth commodity in the AgForce family. After a detailed due diligence process, AgForce Cane was established in May 2020 prior to the start of the annual crushing session. The introduction of AgForce Cane has strengthened our voice in dealing with agricultural industry issues across the region and we welcome our new AgForce Cane members to the family.

As the Queensland State Election draws closer, AgForce continues to focus efforts on the 'Stand With Regional Queensland' campaign, seeking to strengthen our links with urban consumers and highlight the needs of our whole regional community. We invite all our valued stakeholders to support us as we raise awareness about the issues affecting our industry, communities in regional areas and ultimately our cities - in effect, every single one of us who call this great State home.

On behalf of my fellow Directors, our Commodity Boards, Committees and staff, I take this opportunity to thank you for your ongoing support and look forward to strengthening our already close working relationship with all Stakeholders, standing together to create the strongest possible voice and industry lead changes for regional Queensland.

Yours sincerely



Georgie Somerset
General President

AgForce Queensland Farmers Ltd

Date: 20th October 2020



Advocacy

Better outcomes for primary producers
482 Letters to Stakeholders
18 Submissions to Parliament
32 Ministerial Meetings
11 Parliamentary Hearings
Through an investment of \$1,396,258



Representation

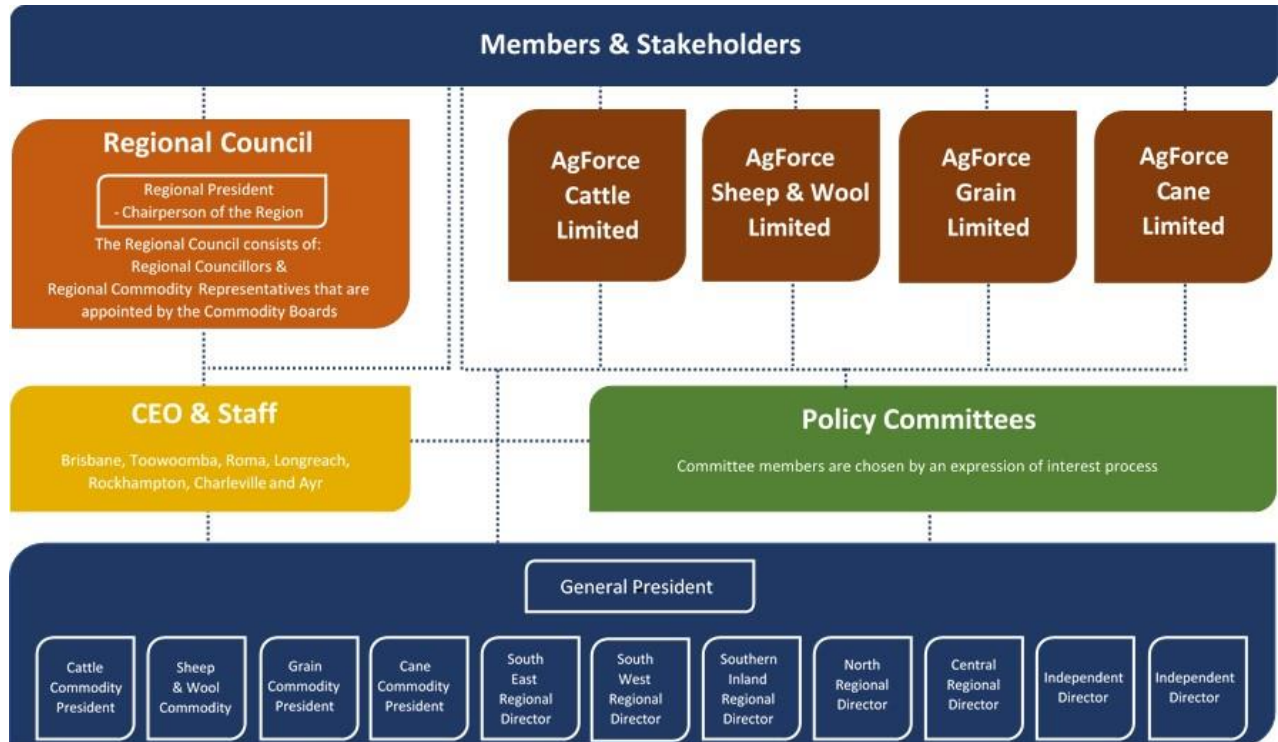
40 Staff
121 Producers and industry specialists



On the Road

226,550 kilometres traveling throughout Queensland visiting properties, attending local events and forums. Through an investment of \$829,938 in regional based engagement.

Organisation Structure & Board



Representing Industry

In addition to experienced Staff, AgForce relies on passionate primary producers and industry specialists from around the State to assist in setting strategy, governance, advocacy and regionally based engagement for the industry. This group also assists with the management of the organisations two research stations. Below is the list of these people and the areas or the organisation they assist in.

Commodity focus

<u>Cattle</u>	<u>Grain</u>	<u>Sheep & Wool</u>	<u>Cane</u>
William Wilson <i>President</i>	Brendan Taylor <i>President</i>	Alan Rae <i>President</i>	Ricky Mio <i>President</i>
Sam Becker	Jordan Anderson	Matthew Barlett	Laurence Dal Santo
Matt Bennetto	Luke Arbuckle	Scott Counsell	Russell Hall
Garth Christiansen	Phil Crocker	Sophie Curtis	Adrian Mizzi
John Cotter	Tim Gersbach	Paul Doneley	Peter Papadimitriou
Mark Davie	Stephen Marshall	Karen Huskisson	
Anthony Dunn	Susan McDonnell	David Jamieson	
Alice Greenup	David Peters	Kane Lucas	
Peter Hall		Bruce McLeish	
Lloyd Hick		Campbell McPhee	
Fred Hughes		Michael Pratt	
Blair Knuth		Brett Smith	
Cameron MacLean		Stephen Tully	
Alistair McDonald		Boyd Webb	
Leo Neill-Ballantine			
Dan Radel			
Kenneth Syme			
Sam Tomlinson			

Regional focus

<u>North Region</u>	<u>Central Region</u>	<u>Southern Inland Region</u>	<u>South West Region</u>	<u>South East Region</u>
Matt Bennetto <i>President</i>	John Baker <i>President</i>	Ken Syme <i>President</i>	Guy Newell <i>President</i>	Caroline Harris <i>President</i>
Perry Fox	Peter Anderson	William Groat	Kristy Cornford	Kim Bremner
Scott Harrington	Donald Black	Robyn Bryant	Christopher Evans	Belinda Callanan
Simon Jackson	Ian Burnett	Sandi Jephcott	Kate Moloney	Tracy Finnegan
Lisa Magoffin	Mark Collins	Rob Lethbridge	Geoffrey Swanson	Tom Marland
Ben Titley	Sid Godwin	Mark Murphy	Jacqui Tickell	Kelly Ostwald
	Andrew Hawkins			Paul Slack
	Ainsley McArthur			
	James Pisaturo			

Adocacy and research focus committee

Water Kim Bremner <i>Chair</i> Fran Becker Matt Bennetto Bill Bode Neville Galloway Simon Jackson James (Jim) McKenzie Alex Ramsey Terry Wilkie	Connectivity & Social Peter Thompson <i>Chair</i> Ann Ballinger Alexandra Becker Kim Bremner Wayne Newton Kylie Stretton Brendan Taylor	Transport Leo Neill-Ballantine <i>Chair</i> Jordan Anderson John Baker Caroline Harris John Russell Lethbridge James Pisaturo Alan Rae Eric Simon	Biosecurity Ivan Naggs <i>Chair</i> Belinda Callanan Ken Cunliffe Peter Hall Karen Huskisson David Jamieson Wayne Newton Peter Papadimitriou Adam Parbury William Wilson	Safety & Workforce Jacqui Cannon <i>Chair</i> Edwin Cooke Liam Fraser Alan Hoppe John te Kloot Justin O'Connor Alan Rae Belinda Rowbotham	Land Use Protection Ian Haylor <i>Chair</i> Desmond Bolton Robyn Bryant Bruce Currie Bruce Head Ari McCamley Nigel Onley Dr Tanya Plant
Landscape Management Peter Mahony <i>Chair</i> Hannah Barbour Richard Bucknell Tracy Finnegan James Henderson Ben Knott Blair Knuth Jacqui Ticknell	Reef Taskforce Alex Stubbs <i>Chair</i> Peter Anderson John Baker Anne English Neville Galloway Tim Gersbach Russell Hall Peter Spies Ken Stevens	Ag Business Mark Collins <i>Chair</i> Sarah Becker Rodney Bell Christopher Evans Tracy Finnegan Peter Hall Scott Harrington Caroline Harris Justin Harrison Lloyd Hick Cameron MacLean Alan Rae Georgie Somerset James Stinson Brendan Taylor	Brain Pastures Research Station Neville Galloway <i>Chair</i> Cam Hughes Paul Slack	Belmont Research Station Ainsley McArthur <i>Chair</i> John Baker Sam Becker Donald Black	

National representation

National Farmers Federation (NFF) Director Robyn Bryant Members Council Georgie Somerset <u>Committees</u> Economic Policy & Farm Business Mark Collins Farming Systems Belinda Callanan Sustainable Development Peter Mahony Telecommunications & Social Policy Peter Thompson Trade William Wilson Water Kim Bremner Workforce Warren Turner Climate & Energy Taskforce Peter Mahony	Sheep & Wool Industry Wool Producers Australia (WPA) Director Matthew Bartlett Australian Wool Innovations (AWI) Woolgrower Consultation Group Allan Rae Brett Smith Sheep Producers Australia (SPA) <u>Committees</u> Marketing, Market Access & Trade Alan Rae Product Integrity Scott Counsell Health & Welfare Paul Doneley Research & Development Sophie Curtis Goat Council of Australia (GICA) Campbell McPhee National Wild Dog Action Plan (NWDAP) National Committee Karen Huskisson	Grain Producers Australia (CPA) Policy Council Brendan Taylor <u>Committees</u> Pesticides Brendan Taylor Autonomous Vehicle Code of Practice Brendan Taylor Sustainable Development Peter Mahony	Cattle Council of Australia (CCA) Director Lloyd Hick <u>Committees</u> Marketing, Market Access & Trade Dan Radel Industry Systems & Food Safety Peter Hall Research, Development & Adoption Anthony Dunn Animal, Health, Welfare & Biosecurity Lloyd Hick Australian Beef Sustainability Framework (ABSF) Steering Group Mark Davie
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The Board

General President	Cattle Commodity President	Sheep & Wool Commodity President	Grain Commodity President	Cane Commodity President	South East Regional Director	South West Regional Director	Southern Inland Regional Director	North Regional Director	Central Regional Director	Independent Director
Georgie Somerset	William Wilson	Alan Rae	Brendan Taylor	Ricky Mio	Tracey Finnegan	Christopher Evans	Robyn Bryant	Matt Benetto	John Baker	Christine Hayward

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Consolidated statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020

		Consolidated Group	
		2020	2019
		\$	\$
Revenue	4(a)	6,083,711	7,504,057
Other income	4(b)	780,945	166,031
Revenue and other income		6,864,656	7,670,088
Advertising		430,424	447,707
Bank fees and charges		42,387	40,287
Computer expenses		206,131	129,102
Conference expenses		19,559	179,759
Depreciation and amortisation expense		314,724	321,015
Employee benefits expense		4,315,175	4,296,896
Finance costs		18,359	11,327
Grain harvest management scheme expenses		76,010	92,014
Meeting expenses		120,476	216,218
Motor vehicle expenses		110,754	122,075
Postage, printing and stationery		45,033	90,130
Property outgoings		191,938	216,695
Memberships and subscriptions		463,010	433,503
Telephone		76,754	78,215
Travel		109,941	217,134
Other expenses		301,248	560,889
Expenditure	4(c)	6,841,923	7,452,966
Profit before income tax		22,733	217,122
Income tax expense	5	-	-
Profit for the year		22,733	217,122
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		22,733	217,122

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Consolidated Statement of Financial Position as at 30 June 2020

		Consolidated Group	
		2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	2,332,070	1,018,171
Trade and other receivables	7	538,998	640,448
Held-to-maturity investments	8	-	150,000
Other current assets	9	118,714	121,743
Total current assets		2,989,782	1,930,362
Non-current assets			
Other financial assets	8	2,410,479	3,457,065
Property, plant and equipment	10	14,315,732	13,729,163
Intangible Assets	11	334,056	-
Total non-current assets		17,060,267	17,186,228
Total assets		20,050,049	19,116,590
Liabilities			
Current liabilities			
Trade and other payables	12	444,199	412,657
Borrowings	13	248,736	70,188
Provisions	14	601,969	243,726
Other current liabilities	15	2,154,840	2,230,307
Total current liabilities		3,449,744	2,956,878
Non-current liabilities			
Borrowings	13	190,933	139,049
Provisions	14	399,852	71,374
Total non-current liabilities		590,785	210,423
Total liabilities		4,040,529	3,167,301
Net assets		16,009,520	15,949,289
Equity			
Retained earnings		16,009,520	15,949,289
Total equity		16,009,520	15,949,289

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Consolidated Statement of Changes in Equity for the year ended 30 June 2020

	Note	Accumulated Funds \$	Available-for- Sale reserve \$	Total \$
Consolidated Group				
Balance at 30 June 2018		15,620,410	46,757	15,667,167
Adjustment on adoption of AASB 9		46,757	(46,757)	-
Adjusted balance at 1 July 2018		15,667,167	-	15,667,167
Profit for the year		217,122	-	217,122
Other comprehensive income		-	-	-
Total Comprehensive income for the year		217,122	-	217,122
Contributions from transfer of assets from AgForce Queensland Industrial Union of Employers		65,000	-	65,000
Balance at 30 June 2019		15,949,289	-	15,949,289
Profit for the year		22,733	-	22,733
Other comprehensive income		-	-	-
Total Comprehensive income for the year		22,733	-	22,733
Contributions from transfer of assets from AgForce Queensland Industrial Union of Employers	17	37,498	-	37,498
Balance at 30 June 2020		16,009,520	-	16,009,520

The statements of changes in equity should be read in conjunction with the attached notes.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2020

		Consolidated Group	
		2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from customers		6,672,876	6,216,682
Payments to suppliers and employees		(7,051,428)	(8,109,294)
Interest received		14,186	36,107
Dividends received		52,500	76,431
Net cash inflow/(outflow) from operating activities		(311,866)	(1,780,074)
Cash flows from investing activities			
Transfer from AgForce Queensland Industrial Union of Employers		37,498	65,000
Proceeds from sale of property, plant and equipment		23,636	15,426
Purchase of property, plant and equipment	10	(233,542)	(205,241)
Purchase of intangibles	11	(355,930)	-
Net cash acquired from business combination	21	784,763	-
Sale proceeds from/(Purchase) of financial assets at fair value		1,138,908	(278,297)
Net cash inflow from investing activities		1,395,333	(403,112)
Cash flows from financing activities			
Proceeds from/(Repayments of) borrowings		230,432	(22,035)
Net Cash inflow from financing activities		230,432	(22,035)
Net increase/(decrease) in cash held		1,313,899	(2,205,221)
Cash and cash equivalents at the beginning of the year		1,018,171	3,223,392
Cash and cash equivalents at the end of the year	6	2,332,070	1,018,171

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements

1. Corporate Information

The financial statements comprise the consolidated group of AgForce Queensland Farmers Limited as an individual parent entity and AgForce Queensland Farmers Limited and controlled entities as a consolidated group. AgForce Queensland Farmers Limited is a not-for-profit unlisted public company limited by guarantee, registered with the Australian Charities and Not for Profits Commission (ACNC), incorporated and domiciled in Australia.

2. Basis of preparation

AgForce Queensland Farmers Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The amounts presented in the financial statements have been rounded to the nearest dollar.

a) New and amended standards not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning from 1 July 2020 and these have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements in future periods.

b) New and amended standards adopted by the group

The consolidated group 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 the Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

AASB 15 Revenue from Contracts with Customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The consolidated group has adopted AASB 15 from 1 July 2019. There was no material impact to the consolidated group as a result of the application of this standard.

AASB 1058 Income of Not-for-Profit Entities

The consolidated group has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 Contributions in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligations at the time of receipt.

There was no material impact to the consolidated group as a result of the application of this standard.

AASB 16 Leases

The consolidated group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 Leases and for lessees eliminates the classification of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities.

There was no material impact to the consolidated group as a result of the application of this standard, given that there were no existing operating lease commitments on adoption of AASB 16.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

c) Historical cost convention

The financial statements have been prepared on the basis of historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 14 – provisions

3. Significant accounting policies

The accounting policies below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities. Certain comparative amounts have been reclassified to conform with the current year's presentation.

a) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of AgForce Queensland Farmers Limited as at 30 June 2020 and the results of all controlled entities for the year then ended. AgForce Queensland Farmers Limited are referred to in this financial report as the group or the consolidated entity.

A controlled entity is any entity AgForce Queensland Farmers Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in Note 16 to the financial statements. All controlled entities have a June financial year end. All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Investments in controlled entities are accounted for at cost in the financial statements of AgForce Queensland Farmers Limited.

b) Revenue recognition

The consolidated group recognises revenue as follows:

Revenue from contracts with customers

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

Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Membership levies – rendering of services

Membership levies are recognised over the applicable membership period.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

3. Significant accounting policies (continued)

Government funding

The groups' project activity is supported by grants received from the federal, state and local governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Sales of goods and services

Revenue from sales of goods is recognised at a point in time when the control of goods passes to the customer. Revenue from the rendering of a service is recognised at a point in time upon the delivery of the service to customers/members.

Brokerage commission

Commissions are recognised on the effective commencement or renewal dates of the related policies and when the consolidated group is not required to render any further service.

Revenue from Investment portfolio

The revenue from the investment portfolio comprises interest and dividends. Dividend income is recognised in the income statement at ex-dividend date and all other income is recognised on an accruals basis.

Donations

Donations are recognised when received.

Asset sales

The gain or loss on disposal of all non-current assets and available-for-sale financial assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

c) 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 in the statement of financial position.

d) Trade and other receivables

Trade receivables, which comprise amounts due from sales of merchandise and from services provided to members and customers, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from 7 to 90 days. The notional amount of the receivable is deemed to reflect fair value. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

An allowance for expected credit losses is recognised when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

e) Property, plant and equipment

All property, plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

The carrying amount of property, 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

3. Significant accounting policies (continued)

Capitalisation of non-current physical assets

All non-current physical assets in the organisation with a value above \$1,000 or more are capitalised and assets less than this amount are to be expensed rather than capitalised.

Depreciation

Land is not depreciable. The depreciable amount of all fixed assets and capitalised leased assets except motor vehicles is on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Motor Vehicles are depreciated diminishing value basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5% – 40%
Motor vehicles	22.5% – 60%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

Derecognition and disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

f) Intangible Assets

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

g) Investments and other financial assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Group commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

(i) Investment in Subsidiaries

Investments in subsidiaries are accounted for in the consolidated financial statements as described in note 2(a) and in the parent entity financial statements at cost in accordance with the cost alternative permitted in separate financial statements under AASB 127 Consolidated and Separate Financial Statements.

(ii) Financial assets at fair value through profit or loss

Financial assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity investments if the consolidated group has the intention and ability to hold them until maturity.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

Notes to and forming part of the financial statements (continued)

3. Significant accounting policies (continued)

h) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

i) Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j) Employee benefits

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date. Liabilities for annual leave in respect of employees services up to the reporting date which are expected to be settled within 12 months of the reporting date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when actual settlement is expected to occur.

k) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

l) Taxation

Income Tax

AgForce Queensland Farmers Limited is a registered charity and has been endorsed as Income Tax Exempt from the 7th April 2016 under Subdivision 50-B of the Income Tax Assessment Act 1997.

Controlled entities

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in the other comprehensive income or directly in equity, respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Notes to and forming part of the financial statements (continued)

3. Significant accounting policies (continued)

k) Taxation (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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 which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

m) Impairment of assets

At each reporting date, the consolidated group reviews the carrying values of its tangible and intangible assets, to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The consolidated group assesses impairment at each reporting date by evaluating conditions specific to the consolidated group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

n) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree..

All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated group assesses the financial assets acquired and liabilities

n) Business combinations

assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

3. Significant accounting policies (continued)

o) Going concern

The Group has recognised a net profit after tax of \$22,733 for the year ended 30 June 2020 (2019: profit of \$217,122) and as at that date a working capital deficiency of \$459,962 (2019: working capital deficit of \$1,026,516). Included in current liabilities of the Group is a non-cash item, income in advance of \$2,154,840 (2019: \$2,230,307). If the income in advance is excluded, the position becomes a working capital surplus of \$1,731,152 (2019: \$1,203,791).

The Responsible Persons believe the going concern basis of accounting is appropriate as the Group and the parent entity have the ability to dispose of financial assets at fair value through profit or loss to fund working capital deficiencies if and when shortfalls in cash occur.

	Consolidated Group	
	2020	2019
	\$	\$
4. Revenue, other income and expenses		
The net profit for the year has been determined after including the following items		
a. Revenue		
Membership levies	2,493,808	2,424,390
Commissions	1,046,985	1,010,573
Interest	14,186	36,107
Dividends	52,500	76,431
Rent	556,410	588,275
Grain harvest management scheme	169,688	206,487
Administration fees	9,279	15,338
AgForward program funding	-	304,176
Training fees	35,680	64,253
Distributions received	75,353	69,404
Sponsorship and grants	1,609,397	2,585,078
Other	20,425	123,545
Total revenue	6,083,711	7,504,057
b. Other income		
Fair value gains/(losses) on other financial assets at fair value through profit and loss	(54,558)	159,132
Net gain on disposal of property, plant and equipment	2,927	6,899
Net gain on business combination – (Note 21)	832,576	-
Total other income	780,945	166,031

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

	Consolidated Group	
	2020	2019
	\$	\$
4. Revenue, other income and expenses (continued)		
<hr/>		
The net profit for the year has been determined after including the following items		
c. Expenses		
Finance costs – external	18,359	11,327
Depreciation		
- Buildings	135,839	135,485
- Plant & Equipment	100,059	107,786
- Motor vehicles	56,952	77,744
Amortisation		
- Intangibles - Software	21,874	-
Total Depreciation and Amortisation	314,724	321,015
Rental expense – operating lease	-	38,595
Insurance expense	58,578	53,288
Utilities	57,260	63,249
Other		
- Legal Fees	65,048	60,123
- Staff Training	11,398	16,488
- Industrial Relation Consultancy	33,828	30,071

5. Income tax expense

a. The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

		Consolidated Group	
		2020	2019
		\$	\$
5. Income tax expense (continued)	Note		
b. Prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit/(loss) income tax at 27.5% (2019: 27.5%)		16,227	76,209
Tax exempt net income		(16,227)	(66,934)
Non allowable items		-	(10,441)
Debt forgiveness reduction of tax losses		-	6,324
Tax losses carried forward for which no deferred tax asset has been recognised		-	(5,158)
Income tax expense		-	-

6. Cash and cash equivalents

Cash at bank and in hand		1,698,394	949,907
Restricted cash held (short term deposit)			
Water Perils Policy Funds	(a)	633,127	-
AgForward funding	(b)	549	68,264
		2,332,070	1,018,171

- a) Water Perils Policy Fund, Producer contributions to a form of self-insurance, to provide compensation for bunt cane unable to be harvested, supplied to and accepted by the mill, as a result of an unscheduled rain event. The fund represents the restricted net amount held by the organisation on behalf of the producers under the agreement.
- b) AgForward Services Pty Ltd, a wholly owned controlled entity of the Parent Entity has entered into program agreements with the Queensland Government to undertake and deliver various extension education and information delivery programs to primary producers in Queensland.

To 30 June 2020, AgForward has met all contracted milestones. In accordance with the terms of the program agreements, AgForward is restricted to utilise this funding for the delivery of the extension activities.

7. Trade and other receivables

Trade and other receivables	538,998	640,448
	538,998	640,448

Trade and other receivables includes commissions of **\$295,267 (2019: \$269,087)**, grants **\$92,400 (2019: \$263,697)** sponsorships **\$100,675 (2019: \$34,800)** and Rent **\$15,650 (2019: \$18,432)**.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

		Consolidated Group	
		2020	2019
		\$	\$
8. Other Financial assets			
Current other financial assets			
Financial asset at amortised cost – term deposits		-	150,000
Non-current financial assets			
Financial assets at fair value through profit and loss			
Unlisted Investments at fair value - Units in NFF House	8(a)	246,614	246,614
Listed Investments at fair value Shares in other entities	8(b)	2,055,541	3,100,572
Subordinated Notes		108,324	109,879
Total financial assets at fair value through profit and loss		2,410,479	3,457,065

- a) The parent entity holds 86 units (representing approximately 5%) of the units in NFF House Trust which owns the NFF House property in Canberra. These units are held at fair value based on the net assets of the Trust. These assets are substantially represented by the NFF House property which is measured at fair value based on an independent valuation.
- b) Investments in equity instruments and substantiated notes were classified as at fair value through other comprehensive income until 1 July 2018 when AASB 9 was adopted and from this date they were classified as fair value through profit or loss. Fair value is based on quoted market prices at the end of the reporting period.

9. Other current assets

Prepayments	118,714	121,743
	118,714	121,743

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

	Consolidated Group	
	2020	2019
	\$	\$
10. Property, Plant and Equipment		
Freehold land – at cost	9,878,037	9,266,723
	<u>9,878,037</u>	<u>9,266,723</u>
Buildings		
At cost	4,046,618	4,037,932
Accumulated depreciation	(383,663)	(247,824)
	<u>3,662,955</u>	<u>3,790,108</u>
Plant and equipment		
At cost	829,295	608,625
Accumulated depreciation	(307,650)	(207,592)
	<u>521,645</u>	<u>401,033</u>
Motor vehicles		
At cost	410,177	385,193
Accumulated amortisation	(157,082)	(113,894)
	<u>253,095</u>	<u>271,299</u>
Total property, plant and equipment	<u>14,315,732</u>	<u>13,729,163</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Consolidated group					
Balance at 1 July 2019	9,266,723	3,790,108	401,033	271,299	13,729,163
Additions	-	-	174,086	59,456	233,542
Additions through business combinations (Note 21)	611,314	8,686	46,586	-	666,586
Disposals	-	-	-	(20,708)	(20,708)
Depreciation expense	-	(135,839)	(100,059)	(56,952)	(292,850)
Carrying amount at 30 June 2020	<u>9,878,037</u>	<u>3,662,955</u>	<u>521,646</u>	<u>253,095</u>	<u>14,315,732</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

	Consolidated Group	
	2020	2019
	\$	\$
11. Intangible Asset		
Software – Engagement System		
At cost	355,930	-
Accumulated amortisation	(21,874)	-
	<u>334,056</u>	<u>-</u>
Total Intangible Asset	<u>334,056</u>	<u>-</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year

	Software – Engagement System	Total
Consolidated group	\$	\$
Balance at 1 July 2019	-	-
Additions	355,930	355,930
Disposals	-	-
Amortisation expense	(21,874)	(21,874)
Carrying amount at 30 June 2020	<u>334,056</u>	<u>334,056</u>

	Consolidated Group	
	2020	2019
	\$	\$
12. Trade and other payables		
Current		
Trade payables and accrued expenses	444,199	412,657
	<u>444,199</u>	<u>412,657</u>

13. Borrowings

Current		
Bank loans	248,736	70,188
Non Current		
Bank loans	190,933	139,049

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

14. Provisions

Current

Water Perils Policy	316,443	-
Employee benefits	285,526	243,726
	601,969	243,726

Non Current

Water Perils Policy	316,443	-
Employee benefits	83,408	71,374
	399,851	315,100

15. Other liabilities

Current

Contract liabilities - rent received in advance	38,832	40,609
Contract liabilities - other income received in advance	811,863	1,011,041
Contract liabilities - membership levies received in advance	1,304,145	1,178,657
	2,154,840	2,230,307

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

16. Related parties and related party transactions

a. Controlled entities

	Country of Incorporation	Percentage Owned (%)	
		2020	2019
Parent Entity			
AgForce Queensland Farmers Limited	Australia	-	-
Subsidiaries of AgForce Queensland Farmers Limited:			
AgForce Enterprises Pty Ltd	Australia	100%	100%
AgForward Services Pty Ltd	Australia	100%	100%
AgForce Developments Pty Ltd	Australia	100%	100%
United Graziers Association Pty Ltd	Australia	100%	100%
The Cattleman's Union of Australia Pty Ltd	Australia	100%	100%
Queensland Graingrowers Association Pty Ltd	Australia	100%	100%

Consolidated Group

	2020	2019
	\$	\$
b. Related party transactions		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated		
Membership levies paid by key management personnel	13,897	20,340
c. Key management personnel compensation		
Key management personnel compensation	257,761	220,509

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

17. Transfer of Assets

During the financial year, Agforce Queensland Industrial Union of Employers transferred assets with a fair value of \$37,498 (2019: \$65,000) to AgForce Queensland Farmers Ltd.

These assets consisted of:

	Consolidated Group	
	2020	2019
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	37,498	65,000
Total current assets	37,498	65,000
Non-current assets		
Total non-current assets	-	-
Total assets	37,498	65,000
liabilities		
Current liabilities		
Total current liabilities	-	-
Non-current liabilities		
Total non-current liabilities	-	-
Total liabilities	-	-
Net assets	37,498	65,000

18. Events after the balance sheet date

No matters or circumstances have arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

19. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, financial investments, accounts receivable, payables and bank loans.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to those financial statements, are as follows

Financial assets	Consolidated Group	
	\$	
Financial assets		
Cash and cash equivalents	2,332,070	1,018,171
Trade and other receivables	538,998	640,448
Financial assets at amortised cost – term deposits	-	150,000
Financial assets at fair value through profit and loss	2,140,479	3,457,065
Total financial assets	5,281,547	5,265,684
Financial liabilities		
Trade and other payables	444,199	412,657
Bank loans	439,669	209,237
Total financial liabilities	883,868	621,894

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

20. Parent Entity Information

Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and Other Comprehensive Income

	Parent Entity	
	2020	2019
	\$	\$
Profit for the year	26,906	183,394
Total comprehensive income for the year	26,906	183,394

	Parent Entity	
	2020	2019
	\$	\$
Statement of Financial Position as at 30 June 2020		
Total current assets	2,988,754	1,924,572
Total non-current assets	17,060,391	17,186,351
Total assets	20,049,144	19,110,923
Total current liabilities	3,455,916	2,962,461
Total non-current liabilities	590,785	210,423
Total liabilities	4,046,701	3,172,884
Net assets	16,002,443	15,938,039
Equity		
Retained earnings	16,002,443	15,938,039
Total equity	16,002,443	15,938,039

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

21. Business Combinations

On 30th May 2020 AgForce Queensland Farmers Limited, acquired the business of AgForce Cane Limited (formerly known as Invicta Cane Growers Organisation Limited) for the total consideration transferred of \$nil. This is a member services business.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	784,763
Property, plant and equipment	666,586
Trade and other receivables	28,165
Employee benefits	(12,000)
Provisions - Water perils fund	(632,886)
Trade and other payables	(2,052)
Net assets acquired	832,576
Acquisition-date fair value of the total consideration transferred	-
Gain from bargain purchase recognised on acquisition	832,576

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2020

Notes to and forming part of the financial statements (continued)

RESPONSIBLE PERSONS' DECLARATION

Per section 60.15 of the Australian Charities and Not-for-profit Commission Regulation 2013

The responsible persons declare that in the responsible persons' opinion:

1. There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable;
2. The financial statements and notes satisfy the requirements of the Australian charities and Not-for-profits Commission Act 2012;
3. comply with Australian Accounting Standards – Reduced disclosure requirements; and.
4. give a true and fair value of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013

Signature:



Georgie Somerset
General President
AgForce Queensland Farmers Ltd

Date: 20th October 2020

INDEPENDENT AUDITOR'S REPORT

To the members of AgForce Queensland Farmers Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AgForce Queensland Farmers Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of AgForce Queensland Farmers Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the AgForce Queensland Farmers Limited's financial 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Group'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 responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

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/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 20 October 2020