

AGFORCE

ANNUAL REPORT 2023

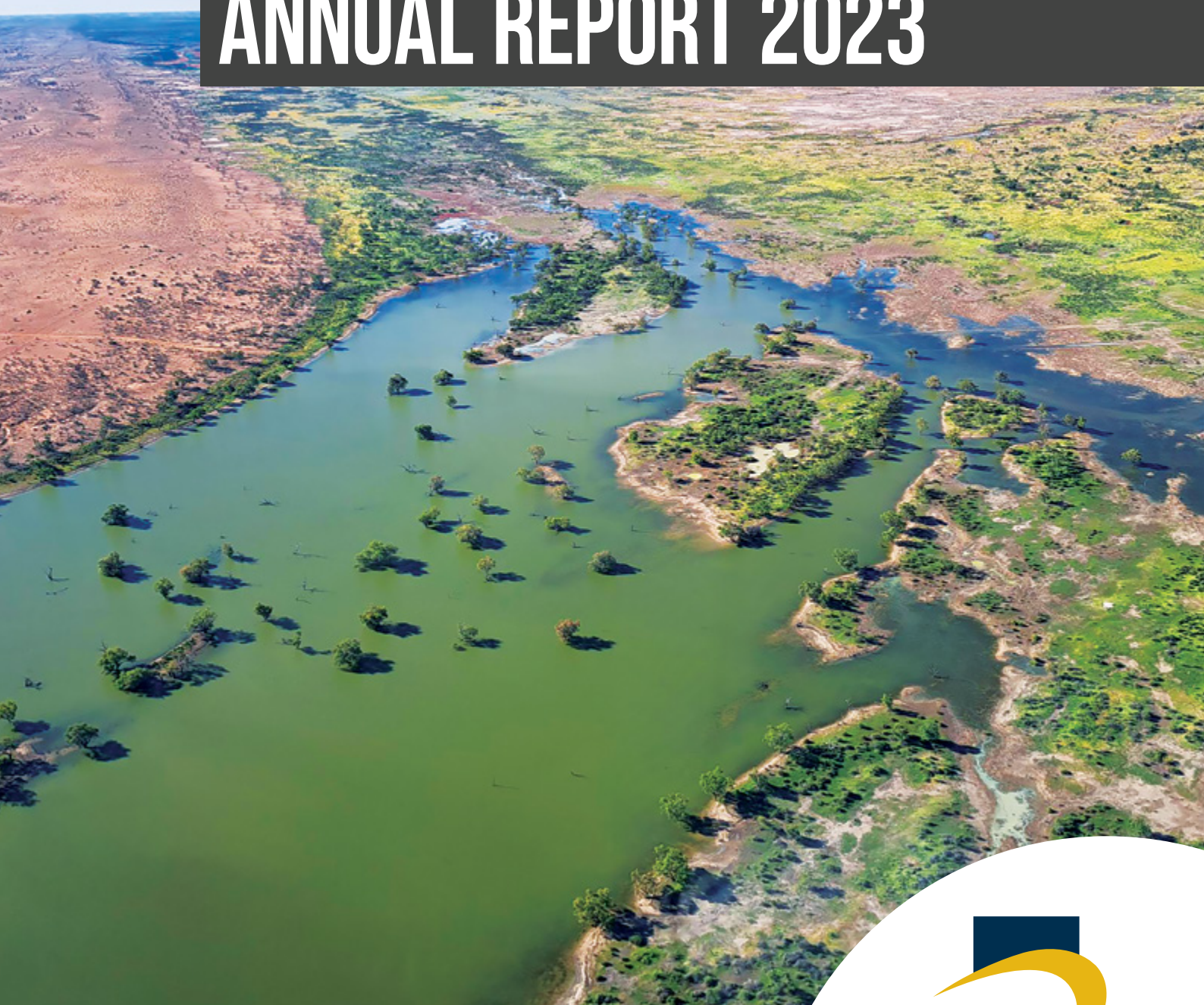




TABLE OF CONTENTS

4	A message from the General President
5	Value to industry <ul style="list-style-type: none">• Investment in the industry• Advocacy• Community engagement• Education and research
12	With you, for you – AgForce has delivered
14	General information
15	The Board
17	Organisation structure
18	Senior staff
21	Financial reports <ul style="list-style-type: none">• Consolidated statement of profit or loss• Consolidated statement of financial position• Consolidated statement of change in equity• Consolidated statement of cash flows• Responsible persons' declaration• Independent auditor report

THE VOICE OF QUEENSLAND PRODUCERS



A MESSAGE FROM THE

General President

Finding strength at times of adversity - Opportunity and sustainability

The journey of the economy, our industry, commodity prices and the season over the 12 months has been rapidly changing, complex and challenging.

AgForce has supported members throughout the year as they navigate these changes, ensuring a strong regional presence, effective policy development, clear communications, and strong governance, ensuring Queensland agriculture is strengthened.

The external policy and regulatory environment continue to present challenges – vegetation management, reef protection laws, industrial relations – alongside industry challenges – biosecurity, flooding, commodity prices and interest rates. Launched a thoughtfully crafted Indigenous Engagement Policy better ensuring AgForce remains at the table in critical conversations to come.

Throughout the year we have connected members through events and communications and continued to build school students' understanding of Agriculture and career pathways through the Schools to Industry Partnership Program.

Your membership and ongoing support for AgForce enables us to deliver results for so many farming businesses, helping lift productivity and profitability, and helping them improve their environmental footprint.

For AgForce, the results of the financial year that ended 30 June 2023 show that the Consolidated Group comprising AgForce Queensland Farmers Limited has resulted in a deficit of \$367,413 (FY2023: surplus of \$16,175 before depreciation and amortisation). Included in this is a 11 per cent increase in membership income and a 12 per cent increase in commission income. The prior year comparison resulted in a deficit of \$412,959 (FY2022: deficit of \$37,721 before depreciation and amortisation).

This year we have invested for member benefit in www.agcare.org.au, our new training joint venture ag.training, our team – especially being out on the road after a couple of years where this was limited, and our internal systems to create efficiencies.

It is critical that we stand strong on the work our members do to manage the landscapes we farm – managing Natural Capital, managing animal welfare, adopting new technologies and increasing our sustainability.

We will continue to proudly represent and speak of the work you, our members, do every day to ensure Australians and the world are fed and clothed. In a time of increasingly domestic and global food insecurity, this is vital.

We will continue to stand strongly for our industry, to ensure it is at every important conversation and that its strong role in ensuring strengthened environmental, social and biodiversity outcomes alongside enhanced food security is recognised and understood.

I would like to thank you personally for believing in us and for everything you continue to do for your local communities and for the entire State and country.

As an organisation we know that it is only through the grass roots support of producers like you that we can continue to voice the concerns of agriculture, as well as the rich opportunities, to government and to the wider public.

Continued biosecurity threats on our doorstep and farmers overseas protesting the drastic climate change measures forced on them by their governments, serve to highlight that your investment in advocacy with AgForce, and our efforts to solidify our relationships with our own law makers in Queensland and Australia, have never been more vital.

Some of your organisation's efforts are highlighted in the pages that follow and on our website www.agforceqld.org.au, so you can read more about the extensive body of work undertaken by AgForce during the past 12 months for you and for industry.

On behalf of your AgForce CEO, Michael Guerin, my fellow Directors, our Commodity Boards, the Young Producers' Council, Policy Committees and the ever-present AgForce staff, I want to assure you that we will continue to do everything that we can – with you and our Stakeholders – to strengthen our incredible industry for the advancement of every single person living in rural and regional Queensland.



Georgie Somerset,
General President AgForce

11 October 2023

VALUE TO INDUSTRY

As an independent, non-government organisation representing the industries of, beef, cane, grains and sheep, wool and goats with a value of \$7 billion per annum within Queensland.

AgForce's ongoing advocacy efforts within industry and government creates undeniable benefits for agriculture and strengthens farming business for our members and many other farming enterprises.

These benefits are best represented via three key areas:

Advocacy

Our dedicated staff and industry volunteers work at a local, state, and federal level to improve regulations and policies to ensure they are fair, practical, and affordable for producers, their families, and the wider industry.

Community engagement

AgForce constantly works with producers, community groups, and people from urban areas at a local level. This includes engaging with producers aged under 40 via its Young Producers' Council (YPC) – an investment to foster a clear direction for the future of agriculture.

Education and research

Our work within education and research is widespread and varied and includes education with producers and communities, as well as support for areas of research that impact the commodities we represent.

INVESTMENT IN THE INDUSTRY



The organisation's expenditure of \$7,911,501, has been allocated on the basis of three key activities areas, \$4,105,835 is directly attributable to one of the three activities with shared costs \$3,805,666 allocated in proportion to the percentage of direct costs.

AgForce is renowned for putting producers first. Our team of committed industry volunteers and staff is brimming with first-hand experience of life on the land to effectively lobby from root to branch at the local, state and federal level. This ensures regulations and policies which are such a huge part of the administrative side of our lives, are constantly improved and are fair for our primary producers, families and the entire industry, so that they workable and cost-effective.

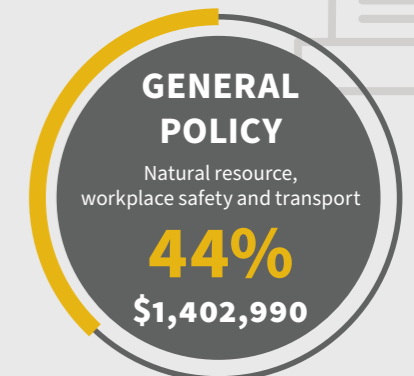
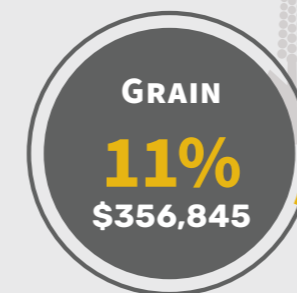
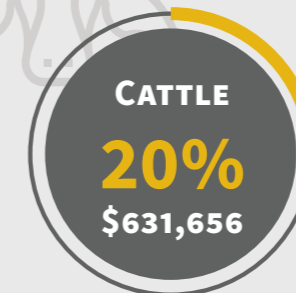
Some of the key outcomes achieved include:

- Strong contributions to policy development and advocacy on biosecurity, including for increased investment by government, active implementation of biosecurity plans from property level to all of Australia, clear delineation of accountability and strengthened protections against potential and existing threats.
- Through our own purposely designed and developed product, AgCarE (www.agcare.org.au) we are able to strengthen data and methodologies for measuring and demonstrating our Natural Capital Assets and sustainability credentials. Agriculture can and will continue to lift production and productivity at the same time as strengthening environmental, biodiversity and social outcomes.
- Actively engaging with Federal and State Governments on proposed environmental legislative and regulatory reforms. AgForce will continue to advocate for a regulatory environment that facilitates the primary objective of agriculture – the supply of good quality food and fibre for a growing population.

- Seeking clear, equitable and non-restrictive vegetation management regulations that promote sustainable practices, e.g. respecting Queensland’s thirteen unique bio-regions.
- Working to have strengthened land use protections put in place. Current policy settings (e.g. RPI Act) continue to see landholders with inadequate strength at co-existence conversations and Prime Agricultural Areas (PAA Land) being lost to food production – something Australia can ill afford.
- Driving for continued expansion of the Regional Tech Hub to deliver connectivity solutions and support to Regional, Rural and Remote Australia. www.regionaltechhub.org.au
- Along with AgForce’s corporate partner IAG, negotiating with farm insurance providers to place a ‘landholders indemnity clause’ in policies to ensure ongoing offers of insurance that are critical to farming and grazing operations, particularly those which intersect with resource sector activity.
- The full suite of work and major initiatives are being progressively displayed on the AgForce website as a resource for members and industry to use. www.agforceqld.org.au/resources

Advocacy expenditure breakdown

The advocacy activity expenditure of \$3,188,597 consists of directly attributable costs to an area totalling \$1,654,788 with shared costs of \$1,533,809 allocated in proportion to the percentage of direct costs.



- **130** Producers and industry specialists assist with advocacy
- **235** letters to stakeholders
- **21** Submissions on behalf on industry
- **50** ministerial and shadow ministerial meetings

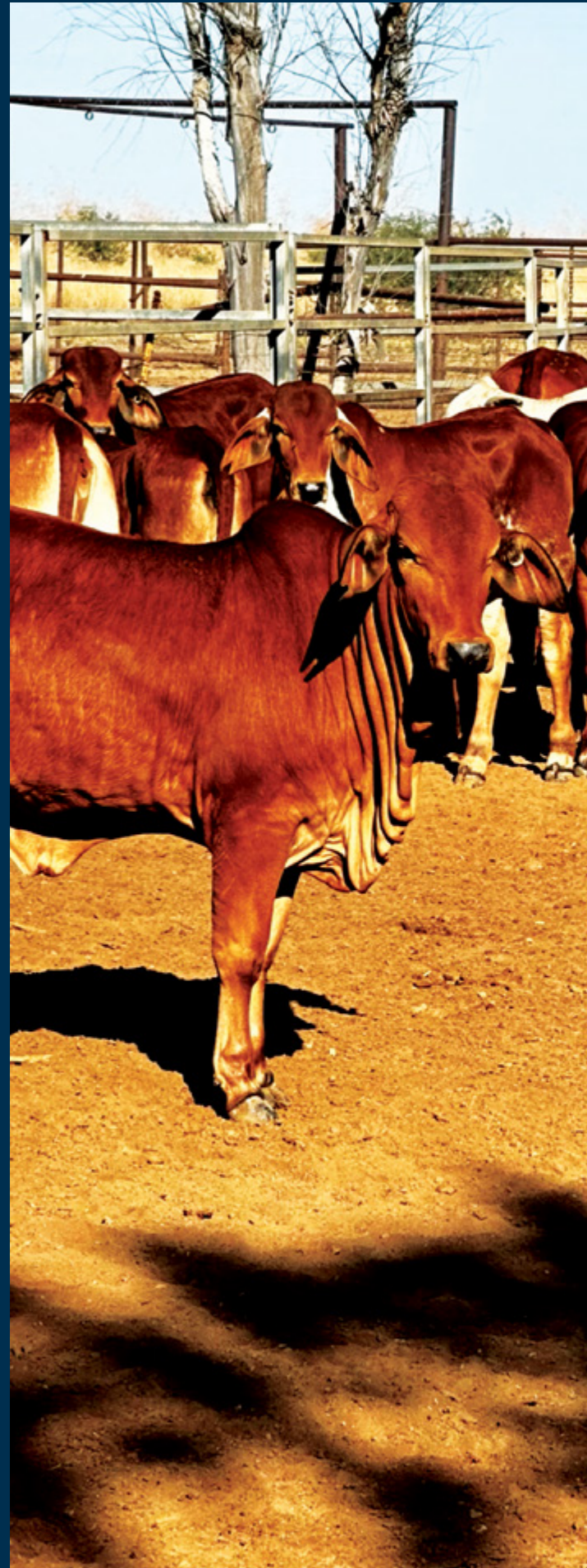
Advocacy by numbers

- **198,000** mentions in the media from July 2022 to June 2023
- **859** Interviews (215 on FM radio, 373 on AM radio and 274 on TV)

Currently working on 20 major initiatives including:

- AgCarE – Natural Capital Certification
- Effective biosecurity risk management
- Evidence-based not politics-based environmental and reef policies
- ‘Zero harm on farm’ safety outcomes
- More landowner power in land use negotiations
- Secure and increased access to water

COMMUNITY ENGAGEMENT








Engagement represents the work AgForce does with producers, community groups and urban people at a local level.

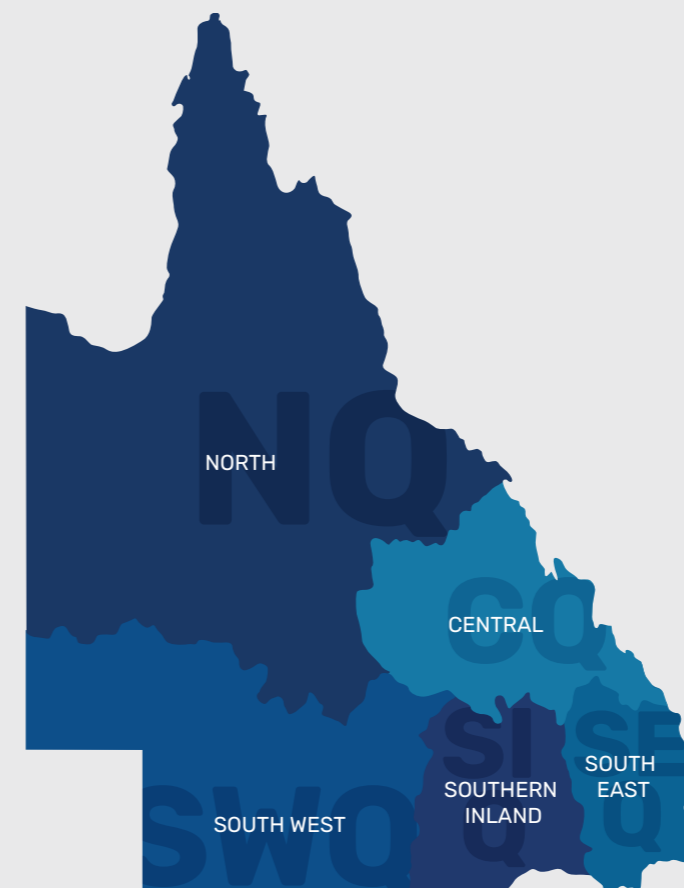
Some of the services AgForce provided to industry and producers during the past 12 months include:

- Elected representatives engaged with industry and community stakeholders in Rockhampton in March 2023 to identify top seven priority issues for AgForce members over the next two years, including:
 1. Biosecurity and disease;
 2. Trade and Market access;
 3. Land use competition and rights protection;
 4. Workforce;
 5. Vegetation management;
 6. Agribusiness and environmental sustainability, and;
 7. Telecommunications Infrastructure, data and access.
- Primary producers shared their passion for their industry over nine days at the 143rd Ekka this year. Members of AgForce manned the display at the Ag Education Hall enthusiastically showcased each of our four commodities, shaking hands with some of the 400,000 people making up the bumper crowds. It's an invaluable opportunity to give the wider public a rare chance to make authentic connections with people in agriculture, talk about where their food and fibre comes from and our ever-improving sustainability credentials. The AgForce Red Meat dinner was also a great success.

- More than 180 producers lifted their technology game at a series of four Innovation in Ag events around the state, run to assist producers utilise the latest in Ag tech.
- We became a partner organisation within the Northern Australia Coordination Network involving Queensland, Northern Territory, Western Australian and Commonwealth governments, in conjunction with key livestock industries and local communities, to increase awareness, surveillance, prevention and preparedness to protect against emergency animal diseases (EADs)
- Proactive AgForce engagement with producers, community and urban stakeholders identified a lack of trained biosecurity personnel in Queensland, particularly in the north, and so has heralded the need for innovative approaches to preventing Emergency Animal Disease (EAD) outbreaks.
- Together with key stakeholders, we continued to roll out workshops focused on small to medium sized businesses, providing a range of valuable information essential to their ongoing success, including engagement events for Farm Safety, Pest Management (Controlling Wild Dogs and Feral Pigs), Land Valuation, Pasture Dieback, AgVet Chemical Handling Training, and Making Money from Natural Capital.

- 
17,227 phone calls, sms and direct emails with Producers
- 
2,606 GHMS licences issued for the year
- 
3,207 people registered for 88 events engaging in industry updates and specialised producer focused topics of interest
- 
36 producers participated in the development of AgForce's AgCarE Program, a tool that allows landholders to evaluate their natural capital
- 
47 Producers engaged in Industrial Relations services

State expenditure



N	36%		\$823,462
C	18%		\$417,797
SE	17%		\$385,585
SI	15%		\$349,877
SW	14%		\$322,732

The community engagement activity expenditure of \$2,299,453 consists of directly attributable costs to a region totalling \$1,193,348 with shared costs of \$1,106,105 allocated in proportion to the percentage of direct costs.

EDUCATION AND RESEARCH

Education

- Assisting producers and industry through nationally verified courses run by our Registered Training Organisation - including chemical accreditation.
- Our School to Industry Partnership Program (SIPP) acts as a bridge between Queensland primary and secondary schools and the agriculture sector and is widely regarded not only as highly successful, but as a benchmark for school-industry engagement.
- AgForce SIPP delivered a range of events and programs throughout the year. These programs educate students about the origins of their food and fibre, introducing them to a wealth of primary production agribusinesses, raising the profile of careers in agribusiness and increasing awareness of the variety of career paths on offer.
- AgForce SIPP provided teachers with professional development opportunities to ensure access to the latest concepts in food, fibre and agriculture production to foster learning, encourage growth and inspiration, and teaching resources that broaden the future decision-making of our next generation of agricultural innovators.
- The Kids to Farms project funded by the Australian Government until December 31st 2022, engaged with almost 7000 students and 485 teachers from 129 schools. AgForce SIPP continues to support this project with the aim of increasing children's understanding of the role and importance of agriculture to Australia's way of life, regional communities and the economy.



AgForce SIPP: Ag Inspirations Lockyer Valley - students up close and personal with dairy sheep at Awassi Cheese.

Student competing in the "Young Judges" competition for grain at the 2023 EKKA



Research

- AgForce owns two clean seed cane farms in the Burdekin for the purpose of developing new cane varieties for use in industry. Burdekin Productivity Services (BPS) lease the farms from AgForce with the aim of increasing the productivity, profitability and sustainability of sugar cane through the provision of quality clean seed cane, which is pest and disease resistant.
- The Belmont Research Station in Rockhampton is leased by Central Queensland University to conduct research in cattle walkover weighing and stock management research. Rockhampton Grammar School uses the facility to provide training for school-based traineeships.
- The Brian Pastures Research Station in Gayndah is leased to the Department of Agriculture and Fisheries in an ongoing agreement to carry out long-term research into herd production and nutrition trials, as well as pasture die-back management trials.

AgForce SIPP: Ag Inspirations Lockyer Valley - students learning from Mitch Brimblecombe, Moira Farms, about the vegetable industry.



• **2,014 Primary** School students and **1,354 Secondary** School students attended a SIPP education event or workshop



• **We assisted over 350 Producers** with individual land valuation consultations, as well as participated in 56 land valuation government mediations



• **We responded to 29** mapping support requests from members

Research investment by CQU, DAF and Burdekin Productivity Services on industry owned research properties
\$2,520,000

WITH YOU, FOR YOU –

AgForce has delivered

AgForce was on the front foot lobbying for the best interests of stakeholders throughout this year. Following a negative Grattan Institute report, AgForce joined with NFF and other affected groups to advocate strongly to Federal Agriculture Minister Murray Watt for the retention of the diesel fuel tax credits scheme, worth around \$900m annually to the agriculture sector. This resulted in the Prime Minister confirming that the government will leave the Fuel Tax Credits Scheme unchanged.

AgForce also successfully lobbied for a delay to the proposed 2022 Reef Scientific Consensus Statement (which replaces the 2017 Reef Consensus Statement) until at least 2024 to ensure all valid evidence-based research is included. It means for the first time, peer-reviewed industry publications will be considered alongside reef water quality publications – giving producers and industry a voice amongst the overwhelming noise in the political debate over the Reef's health. This is critical given how the new Consensus Statement will directly feed into the review of Reef Regulations – which affect so many of us.

As a result of AgForce advocacy:

- We have developed opportunities for Natural Capital accounting – with our groundbreaking AgCarE www.agcare.org.au scheme, giving landholders a true value of their natural resources at a property level – including geology, soils, air, water and all living organisms. It is now available for producers and provides a valuable assessment of financial value and a strengthened understanding of property assets. This has been one of AgForce's most significant pieces of policy work – taking a 'natural capital' approach to working with agricultural landscapes, creating methods for landowners to measure their natural capital and broaden income streams to include ecosystem service markets.
- AgCarE also brings us into line with Australia's agreement to support the United Nations Taskforce on Nature-related Financial Disclosures (TNFD), by assisting decision-making in nature-positive investments, by integrating natural assets into decision making at the property, regional and national level. Through incorporating the UN 17 Sustainable Development Goals and aligning with Environment, Social and Governance (ESG) requirements, AgCarE can assist companies meet increasing social expectations that food and fibre are sourced from healthy and sustainable landscapes.
- We've developed a unique joint venture for ongoing professional development between industry and one of Australia's leading agricultural training groups with ag.training and responsegroup.com.au ensuring pathways for people into our industry.
- A new pathway was developed for the cattle industry for the important roles of lay pregnancy testing and lay spaying. Following five years of advocacy by AgForce, the Animal Care and Protection Amendment Bill passed the parliament on Friday 2 December 2022, enabling the development and implementation of accreditation schemes to certify Lay pregnancy and lay spaying testers. These will be provided through ag.training
- We reached agreement with the state government to not implement punitive taxes such as the Methane Tax, which is imposed on New Zealand Farmers, but to instead work with industry through mechanisms such as the Queensland Low Emissions Pathway (www.daf.qld.gov.au/news-media/campaigns/low-emissions-roadmap) to co-design innovative solutions rather than taxes.
- A more sustainably funded Stock Route Network was implemented through the LOLA Bill after more than 5 years of policy development and advocacy work towards ensuring the SRN operates effectively for years to come. It included measures such as local government retaining 100% of their stock route revenue fees – which will help them recover 38% of their costs.

AgForce also achieved significant improvements in drought support, disaster preparedness and resilience with:

Effective and efficient state government livestock branding and an ear-mark management system.

Greater biosecurity services and funding – with ramped up funding for LSD/FMD prevention. AgForce made strong contributions to the updated Ausvet plan. It is an important document that all producers should familiarise themselves with. www.biosecuritycentral.org/resource/requirements-and-protocols/ausvetplan

Enabling a stronger negotiation position for landholders faced with competing land uses like resources, renewables, CSG or small mining.

Continuation of live export and animal agriculture despite increasingly coordinated activist groups.

Partnering with Response on the delivery of agriculture training and supporting our Ag colleges ag.training

Improved responses to current and future droughts remain a key focus area for AgForce. The Queensland State Government has adopted AgForce Agricultural Business Cycle principles within its drought assistance program reforms. These reforms deliver more assistance for business planning and preparedness activities (with no declaration needed) and expand eligibility to include primary producers across all agricultural industries, including cropping. It complements the Australian Government's Future Drought Fund, which was also supported by AgForce, and RD&E programs on climate resilience. Importantly, existing assistance programs will also continue for the current drought event.

We provided assistance to members to understand State Government unimproved land valuations and support them in objecting to excessive valuations that led to inflated rates and rents bills. With some members facing increases of up to 350%, AgForce assisted by running online workshops and representing them in Preliminary Conferences with the Land Court and independent chaired mediation, resulting in an average of 15 to 20 per cent reductions in unimproved values.

AgForce has also stood up to major banks, such as Victorian-based Bank Australia, which tried to refuse to provide financial services to Australian livestock businesses who export live animals. We held them to account for adopting 'secondary boycott' banking policies endorsed by anti-farming groups and promoted our industry's adherence to stringent animal welfare laws.

For the first time, AgForce has endorsed some key cultural heritage policy principles to inform our advocacy efforts. AgForce is strongly involved with the Cultural Heritage Review process and is committed to providing a considered and practical response that reflects our members' views.

The template agistment contract that AgForce developed was provided free of charge to more than 20 members during the year. At an estimated retail cost of \$3,000, this represents total savings of more than \$60,000 for members.

And many others! www.agforceqld.org.au/resources

AgForce also works closely across its commodities with the relevant Peak Industry Councils and federally with National Farmers Federation nff.org.au

GENERAL INFORMATION

The AgForce Queensland Farmers Limited financial statements for the year ended 30 June 2023 are presented on a consolidated entity basis. The financial statements are presented in Australian dollars, which is AgForce Queensland Farmers Limited's functional and presentation currency.

AgForce Queensland Farmers Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal places of business are:

Registered office

BDO (QLD) Pty Ltd
Level 10
12 Creek St, Brisbane City QLD 4000

Principal places of business

Ayr Office
54-60 Queens St, Ayr QLD 4807

Brisbane Office
2/110 Mary St, Brisbane QLD 4000

Charleville Office

83 Galatea St, Charleville QLD 4470

Longreach Office

33 Duck St, Longreach QLD 4730

Roma Office

42b Wyndham St, Roma QLD 4455

Toowoomba Office

118 Campbell St, Toowoomba QLD 4350

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 10 October 2023. The Directors have the power to amend and reissue the financial statements.

Board Member Attendance

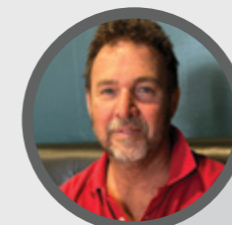
	Start / End date		AgForce Board Meetings		Finance Risk and Audit Committee		Nomination, Remuneration and Culture Committee	
	Start	End	Eligible	Attended	Eligible	Attended	Eligible	Attended
Georgie Somerset	29/10/18		14	14	4	4	4	4
Anthony Struss	17/11/20		14	13	4	2		
Brendan Taylor	18/11/18		14	14	4	4		
Christine Hayward	11/04/18		14	13	4	4		
John Baker	13/12/16		14	12	4	4		
Kelly Ostwald	17/11/20		14	14			5	5
Louise Martin	03/05/23		2	2				
Peter Hall	15/11/22		9	9				
Russell Hall	15/11/22		9	8			2	1
Shane McCarthy	15/11/22		9	8			2	2
Stephen Tully	15/11/22		9	8			2	1
James Henderson	16/09/21	17/04/23	11	10			4	3
Desmond Bolton	28/04/22	15/11/22	5	5	1	1		
Michael Pratt	17/11/20	15/11/22	5	4			3	2
Ricky Mio	08/06/20	15/11/22	5	3			3	2
William Wilson	18/11/18	15/11/22	5	4			2	2
Bec McKeering	04/03/22	28/07/22	1	1				

THE BOARD

General President



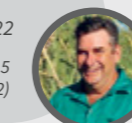
Georgie Somerset



Cane Commodity President

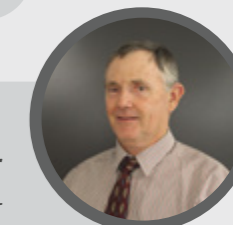
Russell Hall
Commenced 15 November 2022

Ricky Mio (Completed term 15 November 2022)



Central Regional Director

John Baker



Cattle Commodity President

Peter Hall
Commenced 15 November 2022

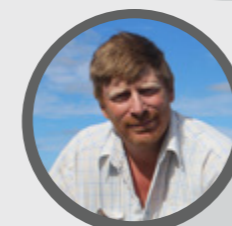
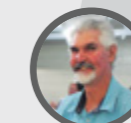
William Wilson (Completed term 15 November 2022)



Deputy Chair and North Regional Director

Shane McCarthy
Commenced 15 November 2022

Des Bolton (Completed term 15 November 2022)



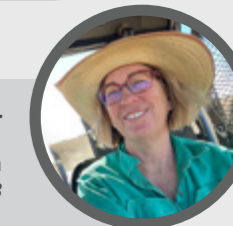
Grain Commodity President

Brendan Taylor

South West Regional Director

Louise Martin
Commenced 3 May 2023

Rebecca McKeering
(Resigned 28 July 2022)



Sheep, Wool and Goats Commodity President

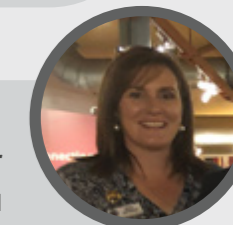
Stephen Tully
Commenced 15 November 2022

Michael Pratt (Completed term 15 November 2022)



South East Regional Director

Kelly Ostwald



Southern Inland Regional Director

Bim Struss

Independent Director

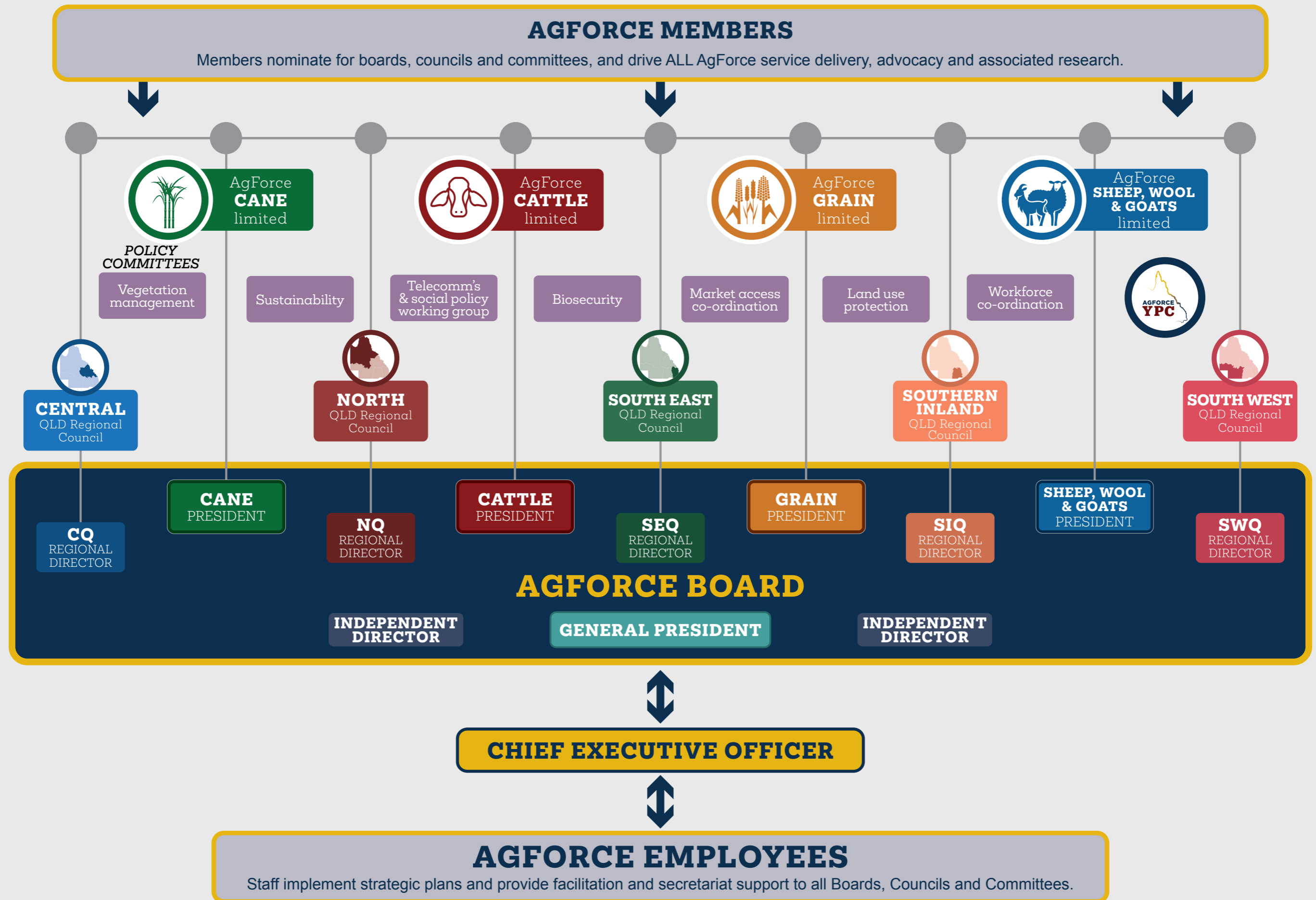
Christine Hayward



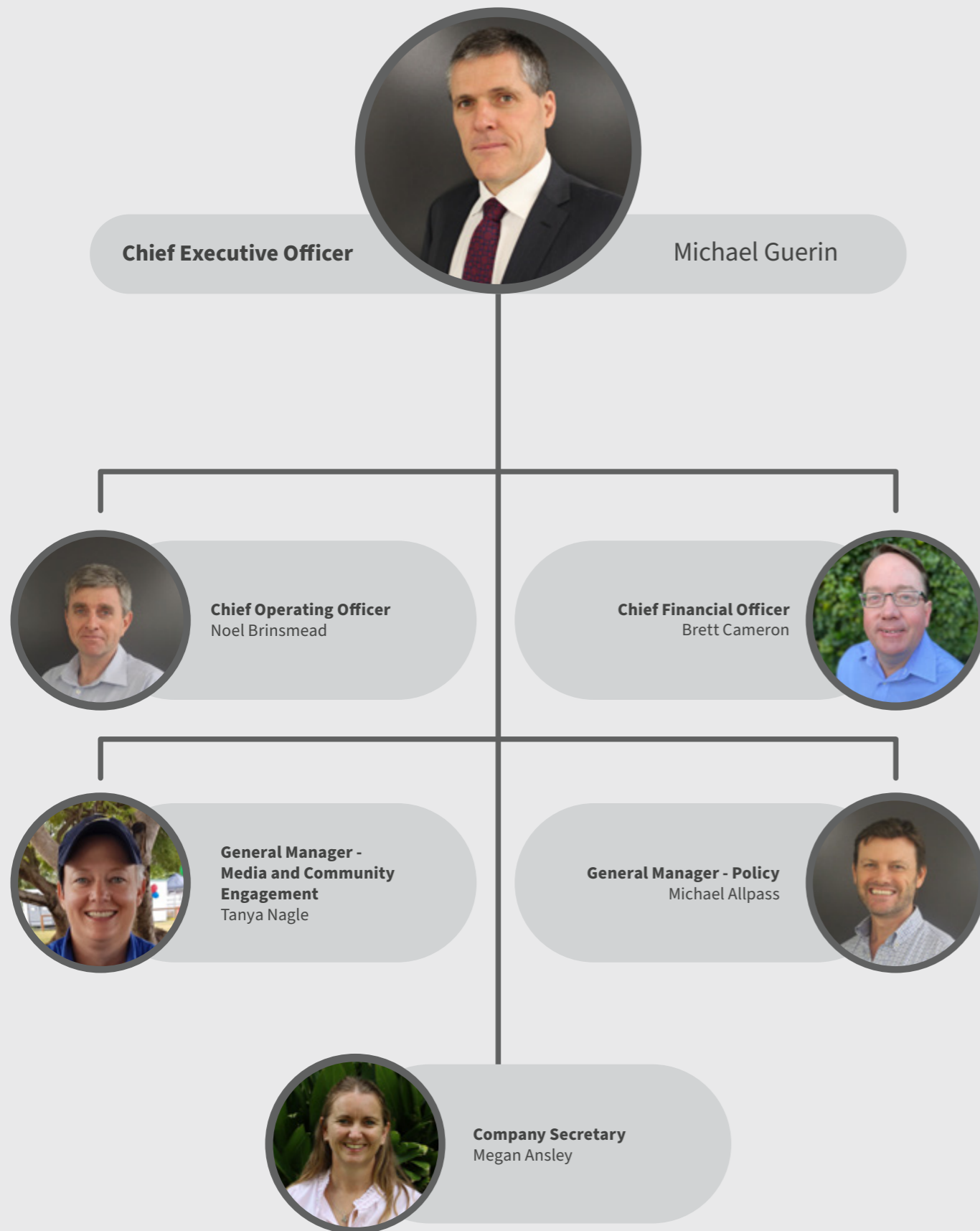
Independent Director

James Henderson
Resigned 17 April 2023

ORGANISATION STRUCTURE



SENIOR STAFF



FINANCIAL REPORTS



AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Consolidated statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

		Consolidated Group	
		2023	2022
		\$	\$
Revenue	4(a)	7,267,497	7,297,227
Other income	4(b)	276,591	23,619
Revenue and other income		7,544,088	7,320,846
Advertising		168,228	213,898
Bank fees and charges		41,118	38,123
Computer expenses		293,657	246,294
Forum & local event expenses		293,338	139,641
Depreciation and amortisation expense		383,588	375,238
Employee benefits expense		4,806,658	4,725,519
Finance costs		3,232	10,272
Grain harvest management scheme expenses		115,930	133,902
Meeting expenses		120,095	129,195
Motor vehicle expenses		114,634	114,357
Postage, printing and stationery		41,216	54,496
Property outgoing		309,769	215,825
Memberships and subscriptions		394,463	464,921
Telephone		88,627	68,538
Travel		228,467	149,765
Other expenses		508,481	653,821
Expenditure	4(c)	7,911,501	7,733,805
Surplus/(Deficit) before income tax		(367,413)	(412,959)
Income tax expense	3(l)	-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members of AgForce Queensland Farmers Limited		(367,413)	(412,959)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on the revaluation of land and buildings, net of tax		-	14,721,985
Other comprehensive income for the year, net of tax		-	14,721,985
Total comprehensive income for the year attributable to the members of AgForce Queensland Farmers Limited		(367,413)	14,309,026

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Consolidated Statement of Financial Position as at 30 June 2023

		Consolidated Group	
		2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	2,304,250	3,038,987
Trade and other receivables	6	620,949	773,437
Other current assets	7	44,997	104,416
Total current assets		2,970,196	3,916,840
Non-current assets			
Other financial assets	8	2,695,646	2,615,530
Property, plant and equipment	9	28,403,071	28,455,695
Intangible Assets	10	359,382	290,896
Total non-current assets		31,458,099	31,362,121
Total assets		34,428,295	35,278,961
Liabilities			
Current liabilities			
Trade and other payables	11	610,197	702,920
Borrowings	12	101,277	64,794
Employee benefits	13	359,800	344,577
Other provisions	14	326,223	316,145
Other current liabilities	15	2,610,335	3,259,438
Total current liabilities		4,007,832	4,687,874
Non-current liabilities			
Borrowings	16	173,434	-
Employee benefits	17	99,300	79,989
Other provisions	18	327,143	323,099
Total non-current liabilities		599,877	403,088
Total liabilities		4,607,709	5,090,962
Net assets		29,820,586	30,187,999
Equity			
Retained surpluses		15,098,601	15,466,014
Revaluation surplus reserve	19	14,721,985	14,721,985
Total equity		29,820,586	30,187,999

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Consolidated Statement of Changes in Equity for the year ended 30 June 2023

	Revaluation Surplus Reserve	Accumulated Funds	Total
	\$	\$	\$
Consolidated Group			
Balance at 30 June 2021	-	15,878,973	15,878,973
Deficit after income tax expense for the year	-	(412,959)	(412,959)
Other comprehensive income for the year, net of tax	14,721,985	-	14,721,985
Total Comprehensive income for the year	14,721,985	(412,959)	14,309,026
Balance at 30 June 2022	14,721,985	15,466,014	30,187,999
Deficit after income tax expense for the year	-	(367,413)	(367,413)
Total Comprehensive income for the year	-	(367,413)	(367,413)
Balance at 30 June 2023	14,721,985	15,098,601	29,820,586

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Notes to and forming part of the financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Consolidated Group	
	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	7,455,621	7,826,106
Payments to suppliers and employees (inclusive of GST)	(8,232,260)	(7,726,984)
Interest received	14,205	4,114
Dividends received	23,987	21,329
Interest and finance costs paid	(3,232)	(10,272)
Net cash (used) / from operating activities	(741,679)	114,293
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	39,154	40,000
Purchase of property, plant and equipment	9	(238,496)
Purchase of intangibles	10	(177,084)
Sale proceeds from/(Purchase) of financial assets at fair value	173,451	(83,619)
Net cash used in investing activities	(202,975)	(97,195)
Cash flows from financing activities		
Proceeds from/(Repayments of) borrowings	209,917	(157,934)
Net Cash from (used) in financing activities	209,917	(157,934)
Net increase/(decrease) in cash held	(734,737)	(140,836)
Cash and cash equivalents at the beginning of the financial year	3,038,987	3,179,823
Cash and cash equivalents at the end of the financial year	5	2,304,250
		3,038,987

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Notes to and forming part of the financial statements

1. Corporate Information

The financial statements comprise AgForce Queensland Farmers Limited and its 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 – Simplified Disclosures as set out in *AASB 1060: AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures 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 2023 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.

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 13 – provisions

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

2. Basis of preparation (continued)

e) Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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 2023 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 15a 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

3. Significant accounting policies (continued)

c) Revenue recognition (continued)

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.

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.

b) 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.

c) 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

3. Significant accounting policies (continued)

d) Property, plant and equipment

Property

During the current year the consolidated group changed its measurement model for Land and Buildings from the Cost Model to the Revaluation model under AASB 116 Property, plant and equipment. Prior to 1 July 2022, the Cost Model recognised land and buildings at historic cost, including costs directly attributable to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments. From 1 July 2022, all land and buildings are stated at fair value, a valuation was carried out by external independent valuers in June 2023. The numbers include 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 subsequent depreciation and any impairments.

Plant and equipment

All 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.

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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

3. Significant accounting policies (continued)

e) Property, plant and equipment (continued)

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 3(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.

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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

3. Significant accounting policies (continued)

j) Employee benefits

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

Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 expected 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 currency that match, as closely as possible, the estimated future cash outflows.

Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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 7 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

3. Significant accounting policies (continued)

l) Taxation (continued)

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.

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) Going concern

The consolidated group has recognised a net deficit after tax of (\$367,413) for the year ended 30 June 2023 (2022: deficit of (\$412,959)) and as at that date a working capital deficiency of \$1,037,636 (2022: working capital deficit of \$771,033). Included in current liabilities of the consolidated group is a non-cash item, income in advance of \$2,610,335 (2022: \$3,259,437). If the income in advance is excluded, the position becomes a working capital surplus of \$1,572,699 (2022: \$2,488,404).

The Responsible Persons believe the going concern basis of accounting is appropriate as the consolidated 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

Consolidated Group

2023 2022

\$ \$

4. Revenue, other income and expenses

The net profit for the year has been determined after including the following items

a. Revenue

Membership levies	3,560,850	3,200,515
Commissions	1,325,485	1,179,878
Interest	14,205	4,114
Dividends	23,987	21,329
Rent	608,366	599,313
Grain harvest management scheme	408,142	397,154
Administration fees	-	11,683
Training fees	69,448	46,163
Distributions received	-	20,000
Sponsorship and grants	1,176,303	1,739,727
AgCarE sales	63,050	-
Other	17,661	77,350
Total revenue	<u>7,267,497</u>	<u>7,297,226</u>

b. Other income

Fair value gains on other financial assets at fair value through profit and loss	253,567	-
Net gain on disposal of NFF House Investment	-	8,921
Net gain on disposal of property, plant and equipment	23,024	14,698
Total other income	<u>276,591</u>	<u>23,619</u>

Disaggregation of revenue

The disaggregation of revenue is as follows:

Geographical regions

Australia	<u>7,267,497</u>	<u>7,297,226</u>
-----------	------------------	------------------

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
4. Revenue, other income and expenses (continued)		
The net profit for the year has been determined after including the following items		
c. Expenses		
Finance costs – external	3,232	10,272
Depreciation		
- Buildings	138,954	136,038
- Plant & Equipment	96,248	107,864
- Motor vehicles	39,788	41,090
Amortisation		
- Intangibles - Software	108,598	90,246
Superannuation expense	368,138	323,038
Other		
- ASIC fees	8,584	8,362
- Election expenses	4,814	-
- Insurance expense	78,306	108,748
- Utilities	61,224	42,668
- Legal Fees	41,348	62,803
- Staff Training	69,427	36,567
- Staff Recruitment	27,264	65,801
- Industrial Relation Consultancy	23,772	24,277
- AgCarE external development costs	37,232	-
- Fair value losses on other financial assets at fair value through profit and loss	-	203,056
5. Current assets - cash and cash equivalents		
Cash at bank and in hand	1,650,884	2,399,743
Restricted cash held (short term deposit)		
Water Perils Policy Funds (a)	653,366	639,244
	2,304,250	3,038,987

a) Water Perils Policy Fund, Producer contributions to a form of self-insurance, to provide compensation for burnt 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
6. Current assets - trade and other receivables		
Trade and other receivables	620,949	773,437
	620,949	773,437
Trade and other receivables includes commissions of \$374,639 (2022: \$469,185), sponsorships \$143,868 (2022: \$127,950), membership service \$nil (2022:\$40,502), rent \$25,630 (2022: \$24,334) and grants \$4,890 (2022: \$2,035).		
7. Current assets - other		
Prepayments	44,997	104,416
	44,997	104,416
8. Non-current - other financial assets		
Non-current financial assets		
Associates		
Unlisted Investment in associate – AgForce Training Pty Ltd 8(a)	120	-
Total Associates	120	-
Financial assets at fair value through profit and loss		
Listed Investments at fair value Shares in other entities 8(b)	2,587,008	2,506,990
Subordinated Notes	108,518	108,540
Total financial assets at fair value through profit and loss	2,695,526	2,615,530
Total Non-current – other financial assets	2,695,646	2,615,530

a) The parent entity hold 120 shares (representing approximately 30%) of the shares in AgForce Training Pty Ltd. These shares are held as an investment in associates and are accounted for using the equity method. AgForce Queensland Farmers Ltd purchased these shares for \$120 dollars on the 1 November 2022.

b) Investments in equity instruments and substantiated notes were classified 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
9. Non-current assets – property, Plant and Equipment		
Freehold land – at independent valuation	23,169,393	23,169,393
	<u>23,169,393</u>	<u>23,169,393</u>
Buildings		
At independent valuation	4,828,346	4,828,346
Accumulated depreciation	(138,954)	-
	<u>4,689,392</u>	<u>4,828,346</u>
Plant and equipment		
At cost	1,296,144	835,455
Accumulated depreciation	(1,022,365)	(519,030)
	<u>273,779</u>	<u>316,425</u>
Motor vehicles		
At cost	511,837	373,385
Accumulated amortisation	(241,330)	(231,854)
	<u>270,507</u>	<u>141,531</u>
Total property, plant and equipment	<u>28,403,071</u>	<u>28,455,695</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. The basis of the valuation of land and buildings is fair value. The land and buildings were revalued on 30 June 2022 based on independent assessments by certified valuer, Acumentis Pty Ltd, a member of the Australian Property Institute having recent experience in the locations and category of land and buildings being valued. Valuations are based on current prices for similar properties in the same location and condition.

	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
Consolidated group	\$	\$	\$	\$	\$
Balance at 1 July 2022	23,169,393	4,828,346	316,425	141,531	28,455,695
Additions	-	-	53,602	184,894	238,496
Disposals	-	-	-	(16,130)	(16,130)
Depreciation expense	-	(138,954)	(96,248)	(39,788)	(274,990)
Carrying amount at 30 June 2023	<u>23,169,393</u>	<u>4,689,392</u>	<u>273,779</u>	<u>270,507</u>	<u>28,403,071</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
10. Non-current - Intangible Asset		
Software		
At cost	636,358	459,274
Accumulated amortisation	(276,976)	(168,378)
Total Intangible Asset	<u>359,382</u>	<u>290,896</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	Total
Consolidated group	\$	\$
Balance at 1 July 2022	290,896	290,896
Additions	177,084	177,084
Amortisation expense	(108,598)	(108,598)
Carrying amount at 30 June 2023	<u>359,382</u>	<u>359,382</u>

11. Current liabilities - trade and other payables

	Consolidated Group	
	2023	2022
	\$	\$
Current		
Trade payables and accrued expenses	610,197	702,920
	<u>610,197</u>	<u>702,920</u>

12. Current liabilities - borrowings

	Consolidated Group	
	2023	2022
	\$	\$
Current		
Bank loans	101,277	64,794
	<u>101,277</u>	<u>64,794</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
13. Current liabilities – employee benefits		
Employee benefits	359,800	344,577
	<u>359,800</u>	<u>344,577</u>

Use of estimates and judgements

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	Consolidated Group	
	2023	2022
	\$	\$
14. Current liabilities – other provisions		
Water Perils Policy	326,223	316,145
	<u>326,223</u>	<u>316,145</u>

Water Perils Policy Fund, Producer contributions to a form of self-insurance, to provide compensation for burnt 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. A maximum of half of the fund can be paid out within in a 12 month period under the policy, as a result the total amount held is split into current and non current liability.

15. Current liabilities - other

Current	Consolidated Group	
	2023	2022
	\$	\$
Contract liabilities - rent received in advance	41,237	63,824
Contract liabilities - other income received in advance	570,016	886,482
Contract liabilities - membership levies received in advance	1,999,082	2,309,132
	<u>2,610,335</u>	<u>3,259,438</u>

Other income received in advance contains project funds to be delivered activities in the future. Membership levies received in advance represents payments made towards 2022/2023 membership levies prior to 30 June 2022.

16. Non-current liabilities - Borrowings

Bank loans	173,434	-
	<u>173,434</u>	<u>-</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

	Consolidated Group	
	2023	2022
	\$	\$
17. Non-current liabilities – employee benefits		
Employee benefits	99,300	79,989
	<u>99,300</u>	<u>79,989</u>

Use of estimates and judgements

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	Consolidated Group	
	2023	2022
	\$	\$
18. Non-current liabilities – other provisions		
Water Perils Policy	327,143	323,099
	<u>327,143</u>	<u>323,099</u>

Water Perils Policy Fund, Producer contributions to a form of self-insurance, to provide compensation for burnt 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. A maximum of half of the fund can be paid out within in a 12 month period under the policy, as a result the total amount held is split into current and non current liability.

	Consolidated Group	
	2023	2022
	\$	\$
19. Equity – revaluation reserve		
Revaluation reserve at the beginning of the financial year	14,721,985	-
Increase in reserve	-	14,721,985
Revaluation reserve at the end of the financial year	<u>14,721,985</u>	<u>14,721,985</u>

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

20. Contingent liabilities

The company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

21. Commitments

The company had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

22. Related parties and related party transactions

a. Controlled entities

	Country of Incorporation	Percentage Owned (%)	
		2023	2022
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 Grain Growers Association Pty Ltd	Australia	100%	100%

Consolidated Group	
2023	2022
\$	\$

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	140,397	117,471
--	---------	---------

c. Key management personnel compensation

Key management personnel compensation	611,064	550,625
---------------------------------------	---------	---------

Reflects remuneration payments made to elected representatives and Chief Executive Officer.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

Consolidated Group

2023	2022
\$	\$

23. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

Audit services – BDO (QLD) Pty Ltd Audit of the financial statements	49,500	46,725
--	--------	--------

24. Events after the balance sheet date

No matters or circumstances have arisen since 30 June 2023 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 2023

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

25. 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

	Consolidated Group	
	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	2,304,250	3,038,987
Trade and other receivables	620,949	773,437
Financial assets at fair value through profit and loss	2,695,526	2,615,530
Total financial assets	5,620,725	6,427,954
Financial liabilities		
Trade and other payables	610,197	702,920
Bank loans	274,711	64,794
Total financial liabilities	884,908	767,714

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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

26. 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	
	2023	2022
	\$	\$
Profit for the year	(179,586)	(412,936)
Other comprehensive income for the year, net of tax	-	14,721,985
Total comprehensive income for the year	(179,586)	14,309,049

	Parent Entity	
	2023	2022
	\$	\$
Statement of Financial Position as at 30 June 2023		
Total current assets	3,170,015	3,916,197
Total non-current assets	31,458,222	31,362,244
Total assets	34,628,237	35,278,441
Total current liabilities	4,026,671	4,694,079
Total non-current liabilities	599,877	403,087
Total liabilities	4,626,548	5,097,166
Net assets	30,001,689	30,181,275

Equity

Retained earnings	15,279,704	15,459,290
Revaluation surplus reserve	14,721,985	14,721,985
Total equity	30,001,689	30,181,275

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 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 3.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

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 2023 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



Christine Hayward
Chair Finance Risk and Audit Committee
Independent Director
AgForce Queensland Farmers Ltd

Date: 11 October 2023

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2023

Auditor's Independence Declaration



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 AGFORCE QUEENSLAND FARMERS LIMITED

As lead auditor of AgForce Queensland Farmers Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AgForce Queensland Farmers Limited and the entities it controlled during the period.



T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 31 October 2023

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 2023, the consolidated statement of profit or loss and other 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 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 registered entity's annual 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 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, 31 October 2023





AgForce Head Office: Level 2,110 Mary St Brisbane, 4000

P: (07) 3236 3100 | **agforceqld.org.au** | **E:** agforce@agforceqld.org.au

AgForce Regional offices:

North Qld - Ayr and Longreach

South East Qld - Toowoomba

Southern Inland Qld - Roma

South West Qld - Charleville