

AgForce Cane Ltd

ANNUAL REPORT 2021

30 June 2021



AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

DIRECTORS REPORT

The Directors present their report on the company for the financial year 1 July 2020 to 30 June 2021.

Directors

The names of the Directors of AgForce Cane Limited (Formerly Invicta Combined Growers Organisation Limited) in Office at any time during or since the end of the financial year are stated as follows:

Mr Ricky Mio, Mr Peter Papadimitriou and Mr Russell Hall have continued as Directors.
Mr Laurence Dal Santo continued to serve as Director and Deputy President up until his resignation on 24 June 2021.
Mr Mizzi was elected a Director on 20 July 2020 and served as Director up until his resignation on 3 December 2020.
Mr Matthew Pappin was elected a Director on 13 December 2020 and elected Deputy President on 13 July 2021.

Company Secretary

Mr Michael Kern has continued as a Company Secretary.
Mrs Lee-Anne Gelling has continued as a Company Secretary.

Interest of Directors in Shares of Company

No shares are held by Directors of the Company as this Company is limited by Guarantee and therefore has no share capital.

Principal Activities

The principal activities of the company during the year have continued to be:

- Representing and advancing the interests of its Members
- Enhancing the profitability and sustainability of sugar cane growing
- Enhancing organisational effectiveness
- Developing a positive external environment for cane farmers
- Recognising and managing diverse grower needs while maintaining organisational unity
- Negotiating with other organisations and Local, State and Commonwealth agencies in matters of policy affecting members
- To hold and maintain membership of primary producer's organisations, on behalf of and representing the best interests of members.
- Work towards unification of the cane growing organisations in the Burdekin.

No significant change in the nature of these activities occurred during the year but refer Note 9 for the business combination activities with AgForce Queensland Farmers Limited which continued to take place, during the course of the financial year, in accordance with the Memorandum of Agreement.

Consolidated Results

Year ended 30 June 2021 has resulted in a nil result for the company.

Review of Operations

A review of the operations of the company is presented in the President's Annual Report for the year.

Matters subsequent to the end of the Financial Year

There were no matters subsequent to the end of the financial year.

Likely developments and Expected Results of Operation

It is expected that the Company will continue its grower representative, support and development role during the next financial year but operate in conjunction with AgForce Queensland Farmers Limited.

Significant changes in State of Affairs

No significant changes in this financial year.

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Environment Regulation

The company is not subject to any significant environmental regulation, under a law of the Commonwealth or of a State or Territory.

Board of Directors Meetings held during the year ended 30 June 2021:

	<u>Eligible to Attend</u>	<u>Number Attended</u>
Ricky Mio	11	11
Matthew Pappin	5	4
Peter Papadimitriou	11	10
Russell Hall	11	11
Laurence Dal Santo	11	10
Adrian Mizzi	4	1

Current Directors at the date of this report:

Mr Ricky Mio	President
Mr Matthew Pappin	Deputy President
Mr Peter Papadimitriou	Director
Mr Russell Hall	Director

Auditors Independence Declaration

The Auditors independence declaration for the year ended 30 June 2021 has been received and forms part of this Directors' Report.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Indemnifying Officer or Auditor

During the financial period, the AgForce Cane Limited paid a premium to insure certain officers of the Company.

The officers of the Company covered by the insurance policy include all Directors, the Secretary and Manager.

The Company has not, during or since the financial year, in respect of any person who is or has been an Auditor of the Company indemnified or made any relevant agreement for indemnifying against a liability incurred as an Auditor, including costs and expenses in successfully defending legal proceedings.

The Report is made in accordance with a resolution of the Directors.



Ricky Mio
President



Matthew Pappin
Deputy President

Dated this 12 October 2021.

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Statement of Comprehensive Income for the year ended 30 June 2021

		1 April to 30 June	
		2021	2020
		\$	\$
Revenues from Ordinary Activities	2(a)	346,888	29,791
Expenses from Ordinary Activities	2(b)	346,888	103,941
Profit/(Loss) from Ordinary Activities before income tax		-	(74,150)
Income tax relating to ordinary activities		-	-
Net profit/(loss) from ordinary activities after income tax expense attributed to members of the Board		-	(74,150)
Income tax relating to extraordinary activities			-
Net profit/(loss) from extraordinary activities after income tax expense attributed to members of the Board		-	(74,150)
Total changes in equity other than those resulting from transactions with owners as owners		-	(74,150)

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

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Statement of Financial Position as at 30 June 2021

		1 April to 30 June	
	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	3	-	-
Trade and other receivables	4	-	-
Total current assets		-	-
Non-current assets			
Property, plant and equipment	5	-	-
Total non-current assets		-	-
Total assets		-	-
Liabilities			
Current liabilities			
Trade and other payables	6	-	-
Provisions	7	-	-
Other current liabilities	8	-	-
Total current liabilities		-	-
Total liabilities		-	-
Net assets		-	-
Equity			
Retained earnings		-	-
Total equity		-	-

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

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Statement of Changes in Equity for the year ended 30 June 2021

	Note	Accumulated Funds \$	Total \$
Consolidated Group			
Balance at 1 April 2020		1,321,105	1,321,105
Asset Revaluation	1(d)	231,314	231,314
Profit for the year		(74,150)	(74,150)
Equity before contribution to AgForce Queensland Farmers		1,478,269	1,478,269
Contributions to AgForce Queensland Farmers	9	(1,478,269)	(1,478,269)
Balance at 30 June 2020		-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total Comprehensive income for the year		-	-
Balance at 30 June 2021		-	-

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

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Notes to and forming part of the financial statements

Statement of Cash Flows for the year ended 30 June 2021

		1 April to 30 June
	2021	2020
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	346,888	29,062
Payments to suppliers and employees	(346,888)	(173,159)
Interest received	-	729
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	-	(143,368)
Cash flows from investing activities		
Purchase/(disposal) of Property, Plant and Equipment	-	448,272
Contribution to AgForce Queensland Farmers	-	(1,245,467)
	<hr/>	<hr/>
Net cash inflow from investing activities	-	(797,195)
Cash flows from financing activities		
Proceeds from/(Repayments of) borrowings	-	-
	<hr/>	<hr/>
Net Cash inflow from financing activities	-	-
Net increase/(decrease) in cash held	-	(940,563)
Cash and cash equivalents at the beginning of the year	-	(940,563)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	3 -	-

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

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

Notes to and forming part of the financial statements

1. Statement of significant accounting policy

This financial report is for AgForce Cane Limited as an individual entity. The entity is a "Not for Profit" public company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money value or, except where stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

Revenue from the sale of goods is recognized upon delivery of goods to customers.

Revenue from membership fees is recognized upon receipt. Membership levies earned by the Company in the period 1 July 2020 through to 30 June 2021 based on a compulsory levy of 25 cents per tonne of sugarcane supplied to a Mill together with an optional 6 cents per tonne of sugarcane supplied to a Mill for insurance and a further option for farmers supplying in the Burdekin of 1 cent per tonne of sugarcane supplied to a Mill for water perils self-insurance. All levies collected were transferred to AgForce Queensland Farmers Ltd in accordance with the Memorandum of Agreement dated 25 May 2020. In return AgForce Queensland Farmers Ltd provides a budgeted allocation of funding to the Company to enable it to operate in support of its goals and objectives for the year.

Grant revenue is recognized in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognized in the balance sheet as a liability until such conditions are met or services provided.

Revenue from rendering a service is recognized upon delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

In accordance with Section 50-40 of the Income Tax Assessment Act 1997, the Organisation is exempt from paying Income Tax.

(c) Stocks

Stocks are valued at the lower cost or net realizable value.

(d) Fixed Assets

Fixed Assets are measured on the cost basis less depreciation and impairment losses.

The clean seed cane farms (including the land improvements (sheds) but excluding the Water Allocations attached to the farms) were valued at \$620,000 at the time of transfer to AgForce Queensland Farmers Ltd. The asset revaluation amount of \$231,214 was brought to account in the Asset Revaluation Reserve with effect from the completion date in May 2020 and transferred to AgForce Queensland Farmers Ltd.

(e) Depreciation

Depreciation is provided on all fixed assets, other than land, using a diminishing value method. Gains or losses arising from the sale or disposal of fixed assets are brought to account in the determination of the profit for the period, except for substantial gains or losses which are included as non-operating (extraordinary) income.

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

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

(f) Provisions

Provisions have been made for employees' long service and recreational leave, in a special reserve account. Sick pay is brought to account as incurred. The employees of the Company transferred to AgForce Queensland Farmers Ltd along with their entitlements.

(g) Contingent Assets/Liabilities

There were no known contingent assets/liabilities of a significant nature at 30 June 2021

2. Profit/(Loss) from ordinary activities

	2021	1 April to 30 June 2020
	\$	\$

Profit from ordinary activities before income tax has been determined after:

a. Revenue

Interest Income	-	729
Other Income – Member Levies	346,888	29,062
Total revenue	<u>346,888</u>	<u>29,791</u>

b. Expenses

Transition Costs	-	39,867
Expenses – transfers to AgForce Queensland Farmers Ltd	346,888	64,074
Total expenses	<u>346,888</u>	<u>103,941</u>

3. Cash Assets (refer Note 9)

Cash in hand	-	-
Cash at Bank – General Account	-	-
Suncorp – Business Saver Account	-	-
ANZ Online Saver – Go Fund Me	-	-
	<u>-</u>	<u>-</u>

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

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

	2021	1 April to 30 June 2020
	\$	\$
4. Trade and other receivables		
Trade and other receivables	-	-
Provision for doubt debt	-	-
	<u>-</u>	<u>-</u>
5. Property Plant and Equipment (refer Note 9)		
Office Furniture	-	-
Capital Improvements	-	-
Nominal Water Allocation	-	-
Motor Vehicles – Work	-	-
Property	-	-
Total Property Plant and Equipment	<u>-</u>	<u>-</u>
6. Payables (refer Note 9)		
Trade Creditors	-	-
GST Payable	-	-
PAYG Payable	-	-
Payroll Deductions	-	-
Total Payables	<u>-</u>	<u>-</u>
7. Employee Leave Provision (refer Note 9)		
Provision for Annual Leave	-	-
	<u>-</u>	<u>-</u>
8. Motor Vehicle Chattel Mortgage (refer Note 9)		
Chattel Mortgage Liability	-	-
Mortgage Charges	-	-
Net Motor Vehicle Mortgage Charges	<u>-</u>	<u>-</u>

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

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

9. Change of Name and Business Combination with AgForce Queensland Farmers Ltd

On 22 May 2020, the company under its former name of Invicta Combined Growers Organisation Limited (ICGO) signed a Memorandum of Agreement with AgForce Queensland Farmers Limited, which set down arrangements for ICGO to change its name to AgForce Cane Limited, adopt a new Constitution largely based on the model AgForce Commodity Constitution and for its business operations to be combined with AgForce Queensland Farmers Ltd. However, AgForce Cane Ltd was to adopt a "business as usual" approach with staff transferring to AgForce Queensland Farmers Ltd but roles being maintained including the Board of Directors, the Manager and Secretary and the Admin Officer (who was an additional Secretary). Accrued employee entitlements were transferred with employees. As an employee of AgForce Queensland Farmers Limited and as Secretary of AgForce Cane Ltd, the Manager had dual responsibilities and reporting obligations.

The Memorandum of Agreement was subject to some conditions precedent, which were deemed to have been satisfied on 25 May 2020, and also contained various terms and conditions to apply to particular assets, liabilities and commitments being transferred as well as transitional arrangements.

The implementation date was deemed effective 25th of May 2020, although various transfers took place over several subsequent weeks. ICGO changed its name to AgForce Cane Limited. Under the Memorandum of Agreement, AgForce Cane Ltd's costs were being borne by AgForce Queensland Farmers on behalf of AgForce Cane Ltd from 1 June 2020 and an approved indicative budget included in the Memorandum of Agreement.

With regard to asset transfers, the following assets were specifically identified for transfer:

- Clean Seed Cane Farms, including the associated water allocations;
- Water Perils Reserves;
- Isuzu motor vehicle;
- Receivables;
- Cash on hand or in bank accounts; and
- Other assets of Invicta.

The net contribution recognised by AgForce Queensland Farmers Ltd in their financial statements for the year ended 30 June 2020, excluding AgForce Cane Ltd's water perils reserves, totalled \$832,576 and comprised:

Cash and cash equivalents	151,877
Property, plant and equipment	666,586
Trade and other receivables	28,165
Employee leave entitlements	(12,000)
Trade and other payables	<u>(2,052)</u>
Net Assets acquired	<u>832,576</u>

Clean Seed Cane Farms

While most assets were transferred at historical cost, the clean seed cane farms, including the sheds (land improvements) but excluding the associated water allocations, were re-valued from their carrying values of \$388,686 (Land \$380,000 + Sheds \$8,686) to \$620,000 resulting in an asset revaluation reserve of \$231,314.

In accordance with the Memorandum of Agreement, the Clean Seed Cane Farms will be transferred back to AgForce Cane Ltd in the event that AgForce Queensland Farmers Ltd ceases to be a member of AgForce Cane Limited inside the first 4.5 years ie up to the November 2024 biennial AgForce Cane Ltd Board elections.

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

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

Water Perils Reserves

In addition, AgForce Cane Ltd's water perils reserves, totalling \$632,886, were transferred to AgForce Queensland Farmers Ltd but have been quarantined because the Memorandum of Agreement requires that the funds be treated separately and in the event that AgForce Queensland Farmers Ltd ceases to be a member of AgForce Cane Ltd at any future time, then the balance of the funds will be returned to AgForce Cane Ltd's members.

The water perils reserves have been generated through Member contributions in the past. The reserves are available to provide a form of insurance for recompense to a current financial Member who has opted to pay the water perils levy in respect of the season in which a claim is made, under the AgForce Cane Ltd Board approved AgForce Cane Ltd Water Perils Policy, and effectively loses sugarcane due to an unforeseen wet weather event.

The balance of the water perils reserves held in trust by AgForce Queensland Farmers Ltd on behalf of AgForce Cane Ltd members, and which is reflected in AgForce Queensland Farmers Ltd Financial Statements at 30 June 2021 was as follows: A payment of \$7,550.11(gst exclusive) was made against the reserve on the 6 August 2021 relating to the 2020 season.

Opening balance as at 1 July 2020	632,886
Water Perils levies collected	7,258
Payments made out of water perils reserves	<u>(7,550)</u>
Closing Balance as at 30 June 2021	<u>632,594</u>

AgForce Cane Limited

Financial Report for the Year Ended 30 June 2021

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

RESPONSIBLE PERSONS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - A) Comply with Account Standards and the Corporations Regulations 2001
 - B) Give a true and fair view of the financial position as at 30 June 2021 and the performance for the financial year ended on that date of the entity.
2. In the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
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 2021 and of its performance for the year ended on that date.

This declaration is made in accordance with the resolution of the Board of Directors dated 12 October 2021.

Signature:



Ricky Mio
President
AgForce Cane Ltd

Date: 12 October 2021

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditors' independence declaration set out on page 1 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Agforce Cane Limited is in accordance with:

The Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial positions as at 30 June 2021 and of its performance for the three months ended on that date in accordance with the accounting policies described in Note 1;

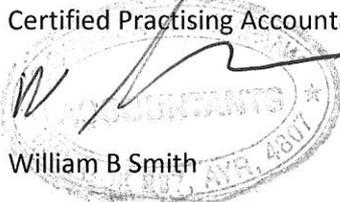
(ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporation Regulations 2001; and

Other mandatory professional reporting requirements to the extent described in Note 1.

Name of Firm:

CORMACK & COMPANY
Certified Practising Accountants

Name of Partner:


William B Smith

13/10/21

Address:

96 Macmillan Street, Ayr

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AGFORCE CANE LIMITED

We declare that, to the best of our knowledge and belief, during the three months ended 30th June 2021 there have been:

No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

No contraventions of any applicable code of professional conduct in relation to the audit.

Name Of Firm: CORMACK & COMPANY
Certified Practising Accountants

Name Of Partner: William B Smith

Address: 96 Macmillian Street, Ayr

Dated this

15/10/21

