

An aerial photograph of a lush green landscape, likely a wetland or marsh, with a winding river or stream cutting through the vegetation. The water is a light blue-grey color, and the surrounding land is covered in dense green plants and trees. The overall scene is vibrant and natural.

AGFORCE

ANNUAL REPORT 2022





THE VOICE OF QUEENSLAND PRODUCERS

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A MESSAGE FROM THE

General President

Finding strength at times of adversity

These words ring true for any year during Queensland agriculture's much storied history.

But I want you to consider for a moment our shared, unprecedented, turbulent times: the lingering effects of the COVID-19 pandemic, import bans from China, catastrophic floods and ongoing drought, threat of incursion from animal diseases, and the expansion of misguided vegetation management and reef protection laws.

Throughout all this, AgForce has worked with you and for you to help strengthen the position of agriculture in Queensland. That we have been successful is no small achievement. That we have done it together says much about what we have built and the spirit in which we have created it.

Your unwavering tenacity, commitment and faith in us as an organisation has resulted in countless farming businesses increasing their profitability and productivity during the past 12 months, while also continuing to improve their environmental footprint.

For AgForce, the results of the financial year that ended 30 June 2022 show that the Consolidated Group comprising AgForce Queensland Farmers Limited has resulted in a deficit of \$412,959 (FY2022: deficit of \$37,721 before depreciation and amortisation). Included in this is a 17 per cent increase in membership income, a 9.8 per cent increase in commission income, and a \$497,905 increase in project funds held for future work. The prior year comparison resulted in a deficit of \$130,557 (FY2021: surplus of \$231,717 before depreciation and amortisation).

With producer membership numbers now at 6,500 and consistently growing, 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.

Outbreaks this year of FMD and LSD 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, very soon on our website (agforceqld.org.au), you will be able to 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, Committees, the Young Producers' Council 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 2022

VALUE TO INDUSTRY

As an independent, non-government organisation representing the industries of, beef, cane, grains and sheep and wool, 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 \$7,733,805, has been split into three activity areas, \$4,427,329 has been directly attributable to one of the activities with shared costs \$3,306,476 allocated in proportion to the percentage of direct costs.

ADVOCACY

Currently working on 41 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



In 2022, AgForce wrote to **239 producers** with Grazing Homestead Perpetual Leases (GHPLs) urging them to consider freeholding prior to the 1 July 2022 unimproved value rises. Since 1 July 2021, **75 GHPLs have been converted** to freehold with a further **177 applications being processed**.

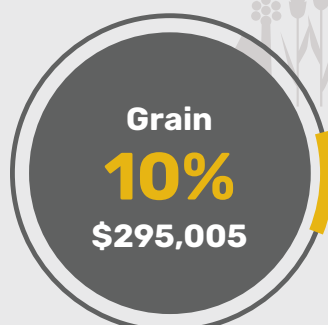
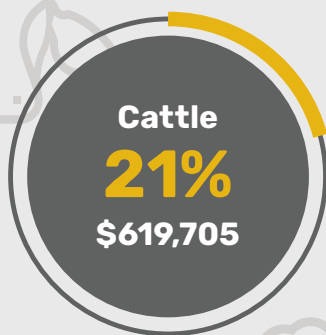
Our dedicated staff and industry volunteers work at a local, state and federal level to improve regulations and policies so that they are fair, practical and affordable for producers, their families and the wider industry.

Some of the key outcomes achieved include:

- Developing AgCarE and testing it on 62 properties to make it 'market ready' and available to members as a fee-for-service offering from 1 July 2022, with a broader release later this year
- Ensuring the 2022 review of the Reef Scientific Consensus Statement will consider peer-reviewed industry publications alongside reef water quality publications
- Along with corporate partner IAG, seeing farm insurance providers place a 'landholder indemnity clause' in policies to allow ongoing offers of insurance critical to farming operations intersected by resource sector activity
- Producing an industry vision for sheep, wool and goats with the development of the *Blueprint to enhance the growth of the Queensland sheep and goat industries*

Advocacy expenditure breakdown

The advocacy activity expenditure of \$2,928,137 consists of directly attributable costs to an area totalling \$1,676,255 with shared costs of \$1,251,883 allocated in proportion to the percentage of direct costs.



We have representatives participating in:

- **13** regional industry committees and working groups
- **47** state industry committees and working groups
- **19** national industry committees and working groups

Advocacy by numbers

- **419** letters to stakeholders
- **8** submissions to parliament (and more than 26 other submissions)
- **41** ministerial and shadow ministerial meetings
- **4** presentations at parliamentary hearings

COMMUNITY ENGAGEMENT

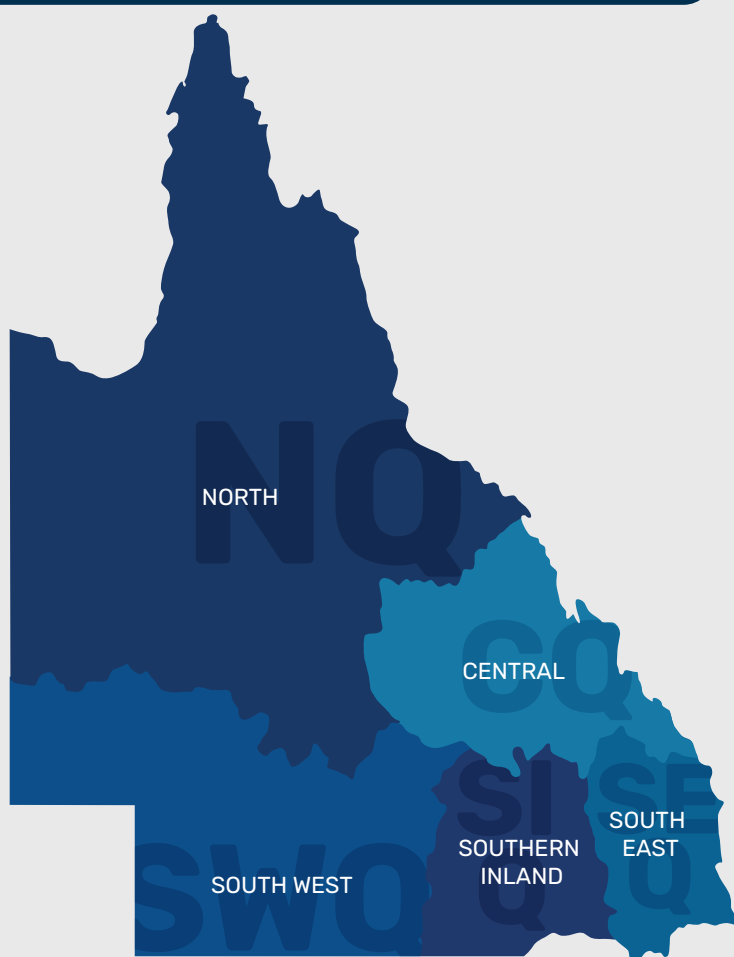


Engagement represents the work AgForce does with producers, community groups and urban people at a local level.

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

- Commenced a pilot study bringing together more than 18 providers of services to regional, rural and remote Queensland to explore ways we can exchange information and better work together
- Assisted producers with more than 75 hours of free advice on more than 100 industrial relations matters concerning their specific employment and workforce issues
- 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
- Engaged with producers affected by Queensland floods to confirm their safety and to ensure they were kept up to date with funding support available to flood-affected properties
- Connected with producers and industry during our annual *What's Your Beef?! forums* in Moura and Rockhampton, as well as during our webinars on several industry-related issues

State expenditure



N 30% | \$704,437

C 16% | \$376,017

SE 19% | \$444,037

SI 19% | \$434,620

SW 16% | \$362,070

The community engagement activity expenditure of \$2,321,181 consists of directly attributable costs to a region totalling \$1,328,793 with shared costs of \$992,387 allocated in proportion to the percentage of direct costs.



• **2,617** GHMS licences issued for the year



• **36** producers participated in the development of AgForce's AgCarE Program, a tool that allows landholders to evaluate their natural capital



• **3,281** people registered for 99 events engaging in industry updates and specialised producer-focused topics of interest



• **130** producers across the state assisted with community engagement, including with activities and events


400 people from an urban environment

supported the agricultural industry through their country connection membership

EDUCATION AND RESEARCH

Education

- Assisting producers and industry through nationally accredited courses run under our Registered Training Organisation (#1834) including chemical accreditation.
- Our Schools to Industry Partnership Program (SIPP) has been acting as a bridge between Queensland primary producing agribusiness and schools (students and educators) and is regarded not only as widely successful, but as a benchmark for school-industry engagement.
- The AgForce School to Industry Partnership Program delivers a range of events and programs throughout the year for primary students, secondary students, and teachers. These programs educate students about the origins of their food and fibre, introducing them to a wealth of primary production and agricultural sectors and raising the profile of careers in agribusiness. They also increase awareness of the variety of career paths on offer.
- The Kids to Farmers project is funded by the Australian Government until 31 December 2022 with the aim of increasing children's understanding of where and how their food and fibre is produced and the role and importance of agriculture to Australia's way of life, regional communities and the economy.

 Ag Inspirations Dalby, Cobb Downs, Our Lady Southern Cross



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 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 to carry out long-term research into herd production and nutrition trials, as well as pasture die back management trials.



- **107** people registered for 8 events for far north Queensland property mapping and farm safety workshops



- **We generated 4,995** annual property vegetation maps, 1,384 land valuation property support maps, 2,412 Reef awareness property maps, and 158 koala habitat awareness property maps for members



- **We responded to 75** mapping support requests from members



- **2,643 students from 57 schools** attended a SIPP education event or workshop, while 217 teachers took a professional development session to better understand the agriculture industry

Research investment by CQU and DAF
on our research stations

\$2,520,000

AGFORCE: BEYOND THE NUMBERS



Andrew and Emily Fiamingo

Andrew Fiamingo is a third-generation farmer from Clare on the bountiful Burdekin River.

With his wife Emily and their two children Madden and Mila, they are passionate growers of sugar cane and legume fallow crops that include soy and mung beans.

"We became members of AgForce to help ensure long-term growth and viability in the industry," says Andrew.

"As a trusted voice that's heard all the way from The Cape to Brisbane and the power brokers in George Street, we trust AgForce to ensure the future of farming in Queensland for generations to come."



Scott and Krystal Muller

As a fourth-generation farmer working alongside his wife Krystal, their three children, and his parents on their grain property, Karinga, near Biloela, Scott Muller's passion for farming is clearly a family affair.

After completing a diesel fitter apprenticeship, Scott operated a contract farming and mechanical business before returning to full-time farming three years ago, but says his family are long-time AgForce members.

"Being part of an industry organisation who stands behind producers is a great thing and gives us the extra confidence we need as we go about our daily tasks.

"AgForce are great advocates for everything agricultural and jump in on behalf of producers whenever it's needed – something I believe is very important in closing the gap in services, facilities, and general policies between us country folk and our city cousins."





Kenton and Amy Peart

Since they completed succession of the family property in 2007, Kenton and Amy Peart have farmed 100 percent organic beef cattle at Dunvegan, a 24,000 hectare property 56km northeast of Charleville.

"We're involved in AgForce because we're aware that agriculture needs to unite as a collective voice, especially when it comes to getting messages through to decision makers," says Kenton.

"That's why it's not only important but imperative that we're as involved as we can be with bodies like AgForce.

"It gives us a much more powerful industry voice if we all speak together, and it makes life so much easier when our message is being heard."



Scott and Sharon Counsell

Scott and Sharon Counsell, and their two daughters, have run Lyndon at Barcaldine with Scott's sister Francis since 1999.

They traditionally farmed self-replacing merino and cattle but had to completely destock because of ongoing drought, which has seen them make the move into goats.

Scott's parents were AgForce members, and he says he didn't even have to think about following in their footsteps.

"AgForce keeps you up to date with the latest and most relevant information about what's going on within industry.

"If you have an issue, you can take it to your local AgForce Regional Manager, and they'll take it to your higher industry bodies.

"AgForce is also great for networking and for meeting other producers across regions to compare notes."



WITH YOU, FOR YOU –

AgForce has delivered —

There is a compelling reason industry groups, governments, and producers look to AgForce when they need answers to the most challenging questions related to agriculture: AgForce is an organisation that is incredibly nimble, able to mobilise and deliver at a moment's notice and the ongoing long-form policy work is without peer, providing evidence based support to the issues AgForce addresses on behalf of producers.

The past 12 months has been no different; in many ways it has been a year where your organisation has delivered some of its most important, influential work in recent memory.

Perhaps best of all, much of what we have developed and achieved has been done in collaboration with the people who keep the AgForce lights on: You!

We helped stop animal diseases entering Australia (and took necessary steps to prepare)

In 2022, AgForce has put in enormous time and effort at national, state and regional levels to help prepare industry and government for a possible incursion of Foot and Mouth or Lumpy Skin Disease.

The consequences of an outbreak for producers and entire communities would be disastrous (\$80 billion is the financial estimate), which is why we have prioritised work on this issue to make sure we are best prepared.

In conjunction with other industry representative bodies, our work has included advocating directly with governments towards securing trade perspectives, reviewing the AUSVETPLAN, continuously upgrading our border control measures and surveillance intensity, and supplying offshore support to Indonesia to eradicate these diseases so that we can reduce the risks of any virus getting into Australia.

AgForce has also called for further industry liaison officer training and scenario planning exercises, and assisted producers by providing up-to-date information and encouraging them to review their farm biosecurity measures and screening of all farm visitors.

We will never be 100 per cent ready – but working together for the good of every producer is vital.

We developed AgCarE and launched to market

AgForce's AgCarE program is one of our most significant pieces of policy work – ever!

Taking a 'natural capital' approach to working with agricultural landscapes, we have created a way for landholders to measure their natural capital condition and broaden their income streams via a range of potential market opportunities.

With four years of development and testing on more than 60 properties, AgCarE was made 'market ready' and available to producers as a fee-for-service offering on 1 July 2022, with a broader release to take place later in 2022.

But already there is strong stakeholder interest and support for AgCarE's aims of ensuring landholders receive financial recompense for environmental goods and services, while increasing the resilience of rural and regional communities.

Ultimately, AgCarE is your organisation's way of empowering producers to ensure they retain ownership of the land they not only work – but care for.

We advocated for evidence-based government policy for Reef management

AgForce has strongly advocated to politicians and senior policy advisors and Federal and State governments, including their respective opposition counterparts, about reef issues affecting agriculture.

AgForce ensures producers and industry retain a voice amongst the almost deafening emotion-driven political agenda that risks overwhelming our Reef's health, including representing agriculture's views on the Reef Advisory Committee overseeing delivery of the Reef 2050 Plan.



As a result of AgForce's advocacy:

- The 2022 review of the Reef Scientific Consensus Statement will now consider peer-reviewed industry publications alongside Reef water quality publications. AgForce provided feedback to the 32 questions guiding the review, as well as to the review of Reef water quality and land management targets to provide an industry perspective
- The Queensland Government's Reef regulation process has been challenged and questioned
- In March 2022, agricultural chemical recording was removed from Agricultural Standard requirements
- The approach taken by Reef compliance officers during an on-site property audit has softened

During the past 12 months AgForce has also helped producers with properties in Reef catchment areas prepare for Reef audits by providing audit checklists, GeoPDF property maps and factsheets and, with appropriate legal advice, we are ready to help set a precedent for any court case offence against a Reef farmer for not meeting Agricultural Environment Relevant Activity (ERA) Standards.

Earlier in 2022, AgForce ran the 'Reef Mythbusters' social media campaign where we launched eight Reef facts across 45 posts on Facebook, Twitter, LinkedIn and Instagram.

The highly successful campaign resulted in more than 2,900 engagements, 1,000 likes, and 1,000 shares, and prompted many conversations and comments.

We continued improving drought support, preparedness and resilience

With welcome rain in many areas of Queensland, drought declarations for the severe, ongoing drought remain at just under 50 per cent of the state.

While the reduction in drought affected areas in 2022 has been encouraging, government responses to the current and future droughts remain a key focus area for AgForce.

Our continued calls for better support for producer preparedness have been heeded, with the State Government adopting AgForce's Agricultural Business Cycle principles within its drought assistance program reforms.

These State 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, and importantly now include cropping.

The reforms complement the Australian Government's Future Drought Fund – which was also supported by AgForce – and research, development, and extension programs on climate resilience.

Significantly, existing assistance programs will remain in place for the current drought event.

The State Government's Drought Industry Co-ordination Group has also built on AgForce's representations on mental health initiatives for farmers to include wellness coaches for regional communities to assist in removing the stigma of seeking help.

The introduction of wellness coaches offers a pathway for producers to access health professionals – promoting access to a vital service that previously didn't exist.

To read the full report outlining the work AgForce has carried out for producers and industry during 2021-22, as well as our priorities for the year ahead, visit agforceqld.org.au and type 'key achievements 2021-22' into the search box.

GENERAL INFORMATION

The financial statements cover AgForce Queensland Farmers Limited as a consolidated entity. 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 11 October 2022. The Directors have the power to amend and reissue the financial statements.

Board Member Attendance

	Board Meetings		Finance Audit and Risk Committee		Nomination, Remuneration and Culture Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Georgie Somerset	12	12	5	5	7	7
John Baker	12	12	5	5		
Christine Hayward	12	12	5	5		
James Henderson	10	10			1	1
Brendan Taylor	12	12	5	4		
Ricky Mio	12	11			7	6
William Wilson	12	11			7	7
Michael Pratt	12	10			7	4
Kelly Ostwald	12	11			7	6
Anthony Struss	12	12	5	3		
Desmond Bolton	2	2	1	1		
Bec McKeering	4	4			2	2
Chris Evans	6	6			4	4
Matt Bennetto	5	4	2	2		

THE BOARD



General President

Georgie Somerset



Cane Commodity President
Ricky Mio



Cattle Commodity President
William Wilson



Grain Commodity President
Brendan Taylor



Sheep and Wool Commodity President
Michael Pratt



South East Regional Director
Kelly Ostwald

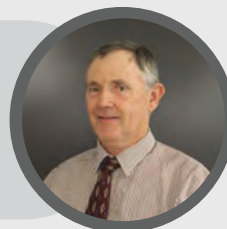


Southern Inland Regional Director
Bim Struss



Independent Director
James Henderson

Deputy Chair and Central Regional Director
John Baker



North Regional Director
Des Bolton
Commenced 28 April 2022



North Regional Director
Matt Bennetto
Resigned 30 November 2021



South West Regional Director
Chris Evans
Resigned 30 December 2021



South West Regional Director
Rebecca McKeering
*Commenced 4 March 2022
Resigned 28 July 2022*



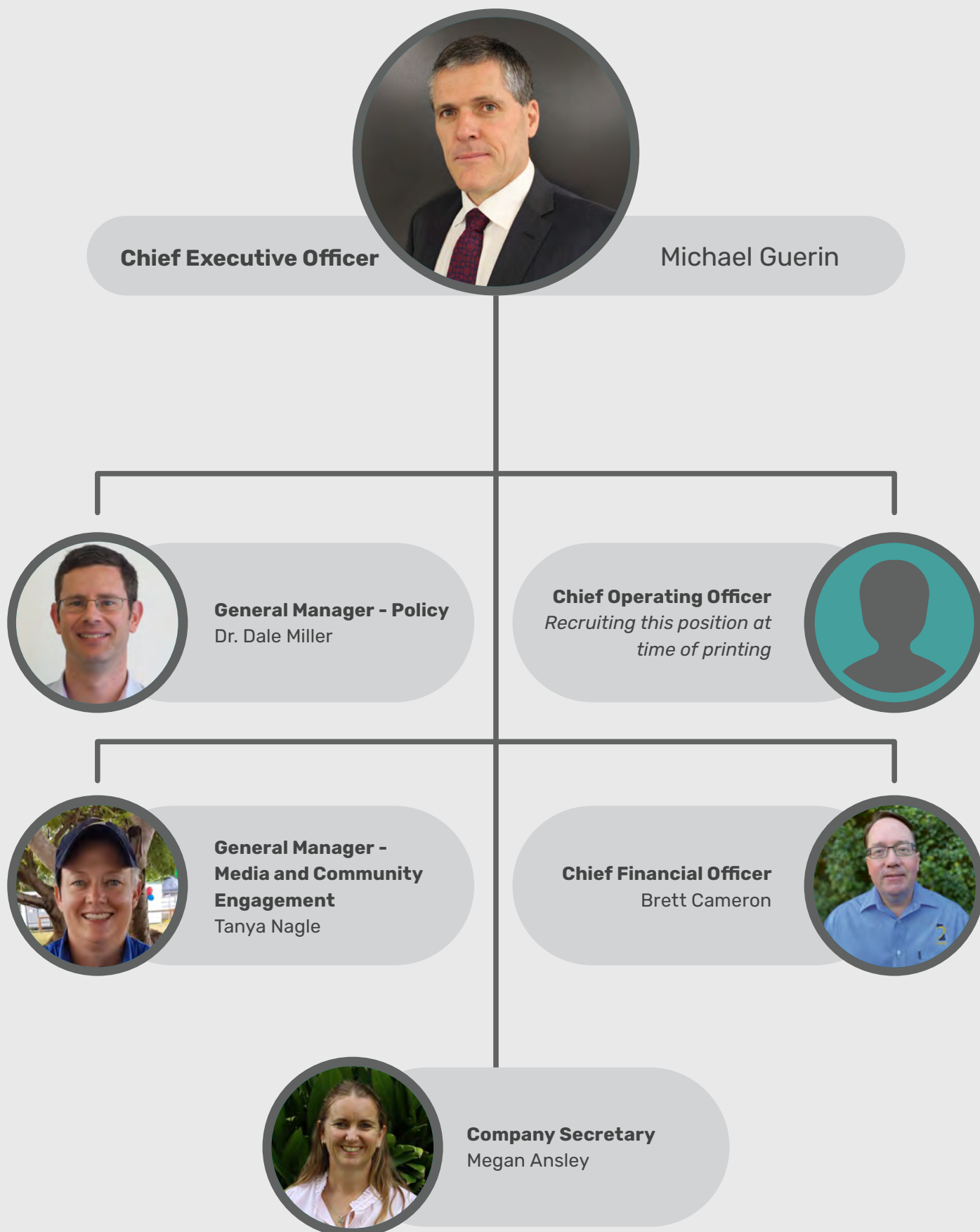
Independent Director
Christine Hayward



ORGANISATION STRUCTURE



SENIOR STAFF



FINANCIAL REPORTS





AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

Consolidated statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

		Consolidated Group	
		2022	2021
		\$	\$
Revenue	4(a)	7,297,227	6,378,868
Other income	4(b)	23,619	463,328
Revenue and other income		7,320,846	6,842,196
Advertising		213,898	290,436
Bank fees and charges		38,123	34,599
Computer expenses		246,294	253,814
Conference expenses		139,641	89,067
Depreciation and amortisation expense		375,238	362,274
Employee benefits expense		4,725,519	4,220,632
Finance costs		10,272	21,881
Grain harvest management scheme expenses		133,902	106,344
Meeting expenses		129,195	163,407
Motor vehicle expenses		114,357	92,701
Postage, printing and stationery		54,496	76,565
Property outgoings		215,825	205,129
Memberships and subscriptions		464,921	457,523
Telephone		68,538	60,760
Travel		149,765	157,677
Other expenses		653,821	379,944
Expenditure	4(c)	7,733,805	6,972,753
Surplus/(Deficit) before income tax		(412,959)	(130,557)
Income tax expense	3(l)	-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members of AgForce Queensland Farmers Limited		(412,959)	(130,557)
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		14,309,026	(130,557)

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 2022

Consolidated Statement of Financial Position as at 30 June 2022

		Consolidated Group	
		2022	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	3,038,987	3,179,823
Trade and other receivables	6	773,437	630,254
Other current assets	7	104,416	127,270
Total current assets		3,916,840	3,937,347
Non-current assets			
Other financial assets	8	2,615,530	2,726,046
Property, plant and equipment	9	28,455,695	14,014,802
Intangible Assets	10	290,896	356,768
Total non-current assets		31,362,121	17,097,616
Total assets		35,278,961	21,034,963
Liabilities			
Current liabilities			
Trade and other payables	11	702,920	592,890
Borrowings	12	64,794	157,933
Employee benefits	13	344,577	327,020
Other provisions	14	316,145	320,100
Other current liabilities	15	3,259,438	3,289,110
Total current liabilities		4,687,874	4,687,053
Non-current liabilities			
Borrowings	16	-	64,795
Employee benefits	17	79,989	84,093
Other provisions	18	323,099	320,049
Total non-current liabilities		403,088	468,937
Total liabilities		5,090,962	5,155,990
Net assets		30,187,999	15,878,973
Equity			
Retained surpluses		15,466,014	15,878,973
Revaluation surplus reserve	19	14,721,985	-
Total equity		30,187,999	15,878,973

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 2022

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Note	Revaluation Surplus Reserve	Accumulated Funds	Total
		\$	\$	\$
Consolidated Group				
Balance at 30 June 2020		-	16,009,520	16,009,520
Deficit after income tax expense for the year		-	(130,557)	(130,557)
Other comprehensive income for the year, net of tax		-	-	-
Total Comprehensive income for the year		-	(130,557)	(130,557)
Contributions from transfer of assets from AgForce Queensland Industrial Union of Employers	24	-	10	10
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	9	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

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 2022

Notes to and forming part of the financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2022

		Consolidated Group	
		2022	2021
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,826,106	8,050,599
Payments to suppliers and employees (inclusive of GST)		(7,737,256)	(7,075,378)
Interest received		4,114	10,668
Dividends received		21,329	20,194
Net cash from operating activities		114,293	1,006,083
Cash flows from investing activities			
Transfer from AgForce Queensland Industrial Union of Employers		-	10
Proceeds from sale of property, plant and equipment		40,000	28,182
Purchase of property, plant and equipment	9	(29,202)	(21,789)
Purchase of intangibles	10	(24,374)	(78,970)
Sale proceeds from/(Purchase) of financial assets at fair value		(83,619)	131,178
Net cash used in investing activities		(97,195)	58,611
Cash flows from financing activities			
Proceeds from/(Repayments of) borrowings		(157,934)	(216,941)
Net Cash from financing activities		(157,934)	(216,941)
Net increase/(decrease) in cash held		(140,836)	847,753
Cash and cash equivalents at the beginning of the financial year		3,179,823	2,332,070
Cash and cash equivalents at the end of the financial year	5	3,038,987	3,179,823

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 2022

Notes to and forming part of the financial statements

1. Corporate Information

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

2. Basis of preparation

AgForce Queensland Farmers Limited applies Australian Accounting Standards – 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 2022 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.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

2. Basis of preparation (continued)

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

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 2022 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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

3. Significant accounting policies (continued)

b) Revenue recognition

The consolidated group recognises revenue as follows:

Revenue from contracts with customers

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

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

Membership levies – rendering of services

Membership levies are recognised over the applicable membership period.

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.

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

3. Significant accounting policies (continued)

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.

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 2021, 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 2021, all land and buildings are stated at fair value, a valuation was carried out by external independent valuers in June 2022. 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 2022

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.

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

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

3. Significant accounting policies (continued)

j) Employee benefits (continued)

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.

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.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

3. Significant accounting policies (continued)

l) Taxation (continued)

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

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

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

m) Impairment of assets

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

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

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

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

n) Going concern

The Group has recognised a net deficit after tax of (\$412,961) for the year ended 30 June 2022 (2021: deficit of (\$130,557)) and as at that date a working capital deficiency of \$771,033 (2021: working capital deficit of \$749,706). Included in current liabilities of the Group is a non-cash item, income in advance of \$3,259,437 (2021: \$3,323,179). If the income in advance is excluded, the position becomes a working capital surplus of \$2,488,404 (2021: \$2,573,473).

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

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
3. Revenue, other income and expenses		
<hr/>		
The net profit for the year has been determined after including the following items		
a. Revenue		
Membership levies	3,200,515	2,731,108
Commissions	1,179,878	1,074,316
Interest	4,114	10,668
Dividends	21,329	20,194
Rent	599,313	563,684
Grain harvest management scheme	397,154	302,312
Administration fees	11,683	7,889
Training fees	46,163	68,982
Distributions received	20,000	23,308
Sponsorship and grants	1,739,727	1,488,900
Other	77,350	87,507
Total revenue	<u>7,297,226</u>	<u>6,378,868</u>
b. Other income		
Fair value gains on other financial assets at fair value through profit and loss	-	311,034
Net gain on disposal of NFF House Investment	8,921	140,815
Net gain on disposal of property, plant and equipment	14,698	11,479
Total other income	<u>23,619</u>	<u>463,328</u>
Disaggregation of revenue		
The disaggregation of revenue is as follows:		
<i>Geographical regions</i>		
Australia	<u>7,297,226</u>	<u>6,378,868</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
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	10,272	21,881
Depreciation		
- Buildings	136,038	136,039
- Plant & Equipment	107,864	116,206
- Motor vehicles	41,090	53,771
Amortisation		
- Intangibles - Software	90,246	56,258
Insurance expense	108,748	102,990
Utilities	42,668	42,678
Superannuation expense	323,038	290,497
Other		
- Legal Fees	62,803	46,001
- Staff Training	36,567	21,454
- Industrial Relation Consultancy	24,277	27,570
- 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		2,399,591	2,539,492
Restricted cash held (short term deposit)			
Water Perils Policy Funds	(a)	639,244	640,150
AgForward funding	(b)	152	181
		<u>3,038,987</u>	<u>3,179,823</u>

- 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 under the agreement.
- b) AgForward Services Pty Ltd, a wholly owned controlled entity of the Parent Entity has entered into program agreements with the Queensland Government to undertake and deliver various extension education and information delivery programs to primary producers in Queensland.

To the period ending 30 June 2022, AgForward has met all contracted milestones. In accordance with the terms of the program agreements, AgForward is restricted in that the funding may only be used for the delivery of the extension activities.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

Consolidated Group

2022 2021

\$ \$

6. Current assets - trade and other receivables

Trade and other receivables	773,437	630,254
	773,437	630,254

Trade and other receivables includes commissions of \$469,185 (2021: \$418,539), sponsorships \$127,950 (2021: \$41,250), membership service \$40,502 (2021:nil), rent \$24,334 (2021: \$15,592) and grants \$2,035 (2021: \$50,125).

Consolidated Group

2022 2021

\$ \$

7. Current assets - other

Prepayments	104,416	127,270
	104,416	127,270

Consolidated Group

2022 2021

\$ \$

8. Non-current - other financial assets

Non-current financial assets

Financial assets at fair value through profit and loss

Unlisted Investments at fair value - Units in NFF House	7(a)	-	86
Listed Investments at fair value Shares in other entities	7(b)	2,506,990	2,616,189
Subordinated Notes		108,540	109,771
Total financial assets at fair value through profit and loss		2,615,530	2,726,046

- a) The parent entity held 86 units (representing approximately 5%) of the units in NFF House Trust which owns the NFF House property in Canberra. These units are held at fair value based on the net assets of the Trust. On the 24 December 2020 settlement occurred on the sale of the property. AgForce received payment of \$382,239 being its share of the transaction net on the 25 February 2021. The final payment of \$8,921 from the wind up of this investment was received on the 15 September 2021.
- 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 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
9. Non-current assets - property, Plant and Equipment		
Freehold land – at cost	-	9,878,037
Freehold land – at independent valuation	23,169,393	-
	<u>23,169,393</u>	<u>9,878,037</u>
Buildings		
At cost	-	4,046,618
At independent valuation	4,828,346	-
Accumulated depreciation	-	(519,702)
	<u>4,828,346</u>	<u>3,526,916</u>
Plant and equipment		
At cost	835,455	851,085
Accumulated depreciation	(519,030)	(423,857)
	<u>316,425</u>	<u>427,228</u>
Motor vehicles		
At cost	373,385	373,392
Accumulated amortisation	(231,854)	(190,771)
	<u>141,531</u>	<u>182,621</u>
Total property, plant and equipment	<u>28,455,695</u>	<u>14,014,802</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 practising 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 2021	9,878,037	3,526,916	427,228	182,621	14,014,802
Additions	-	6,839	22,363	-	29,202
Disposals	-	-	(25,302)	-	(25,302)
Revaluation	13,291,356	1,430,629	-	-	14,721,985
Depreciation expense	-	(136,038)	(107,864)	(41,090)	(284,992)
Carrying amount at 30 June 2022	<u>23,169,393</u>	<u>4,828,346</u>	<u>316,425</u>	<u>141,531</u>	<u>28,455,695</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
10. Non-current - Intangible Asset		
Software		
At cost	459,274	434,900
Accumulated amortisation	(168,378)	(78,132)
Total Intangible Asset	290,896	356,768

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 2021	356,768	356,768
Additions	24,374	24,374
Amortisation expense	(90,246)	(90,246)
Carrying amount at 30 June 2022	290,896	290,896

	Consolidated Group	
	2022	2021
	\$	\$
11. Current liabilities - trade and other payables		
Current		
Trade payables and accrued expenses	702,920	592,890
	702,920	592,890

12. Current liabilities - borrowings		
Current		
Bank loans	64,794	157,933
	64,794	157,933

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
13. Current liabilities – employee benefits		
Employee benefits	344,577	327,020
	<u>344,577</u>	<u>327,020</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	
	2022	2021
	\$	\$
14. Current liabilities – other provisions		
Water Perils Policy	316,145	320,100
	<u>316,145</u>	<u>320,100</u>

15. Current liabilities - other

Current

Contract liabilities - rent received in advance	63,824	60,475
Contract liabilities - other income received in advance	886,482	1,290,365
Contract liabilities - membership levies received in advance	2,309,132	1,938,270
	<u>3,259,438</u>	<u>3,289,110</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	-	64,795
	<u>-</u>	<u>64,795</u>

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

	Consolidated Group	
	2022	2021
	\$	\$
17. Non-current liabilities – employee benefits		
<hr/>		
Employee benefits	79,989	84,093
	<hr/>	<hr/>
	79,989	84,093

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	
	2022	2021
	\$	\$
18. Non-current liabilities – other provisions		
<hr/>		
Water Perils Policy	323,099	320,049
	<hr/>	<hr/>
	323,099	320,049

	Consolidated Group	
	2022	2021
	\$	\$
19. Equity – revaluation reserve		
<hr/>		
Revaluation reserve at the beginning of the financial year	-	-
Increase in reserve	14,721,985	-
	<hr/>	<hr/>
Revaluation reserve at the end of the financial year	14,721,985	-

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 2022

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

20. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

21. Commitments

The company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

22. Related parties and related party transactions

a. Controlled entities

	Country of Incorporation	Percentage Owned (%)	
		2022	2021
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

2022	2021
\$	\$

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	117,471	17,585
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c. Key management personnel compensation

Key management personnel compensation	316,458	309,900
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Reflects remuneration payments made to elected representatives.

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

Consolidated Group

2022	2021
\$	\$

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	46,725	39,500
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24. Transfer of Assets

During the financial year, Agforce Queensland Industrial Union of Employers transferred assets with a fair value of \$nil (2021: \$10) to AgForce Queensland Farmers Ltd.

These assets consisted of:

Consolidated Group

2022	2021
\$	\$

Assets

Current assets

Cash and cash equivalents	-	10
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Total current assets	-	10
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Non-current assets

Total non-current assets	-	-
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Total assets	-	10
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Liabilities

Current liabilities	-	-
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Non-current liabilities	-	-
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Total liabilities	-	-
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Net assets	-	10
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25. Events after the balance sheet date

No matters or circumstances have arisen since 30 June 2022 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 2022

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

26. 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	
	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents	3,038,987	3,179,823
Trade and other receivables	773,437	630,254
Financial assets at fair value through profit and loss	2,615,530	2,726,046
Total financial assets	6,427,954	6,536,123
Financial liabilities		
Trade and other payables	702,920	592,890
Bank loans	64,794	222,728
Total financial liabilities	767,714	815,618

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

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

27. 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	
	2022	2021
	\$	\$
Profit for the year	(412,936)	(130,227)
Other comprehensive income for the year, net of tax	14,721,985	-
Total comprehensive income for the year	14,309,049	(130,227)

	Parent Entity	
	2022	2021
	\$	\$
Statement of Financial Position as at 30 June 2022		
Total current assets	3,916,197	3,936,681
Total non-current assets	31,362,244	17,097,739
Total assets	35,278,441	21,034,420
Total current liabilities	4,694,079	4,693,258
Total non-current liabilities	403,087	468,936
Total liabilities	5,097,166	5,162,194
Net assets	30,181,275	15,872,226

Equity

Retained earnings	15,459,290	15,872,226
Revaluation surplus reserve	14,721,985	-
Total equity	30,181,275	15,872,226

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 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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 2022

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

RESPONSIBLE PERSONS' DECLARATION

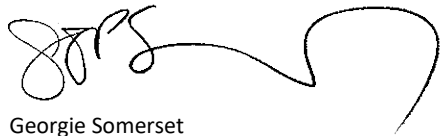
Per section 60.15 of the Australian Charities and Not-for-profit Commission Regulation 2013

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 2022 and of its performance for the year ended on that date.

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

Signature:



Georgie Somerset

General President

AgForce Queensland Farmers Ltd

Date: 11 October 2022

AgForce Queensland Farmers Limited

Financial Report for the Year Ended 30 June 2022

Auditor's Independence Declaration



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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 2022, 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.

A handwritten signature in black ink, appearing to read 'T R Mann', is written over a light blue rectangular background.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 11 October 2022

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 2022, 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 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the AgForce Queensland Farmers Limited's, 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 - Simplified Disclosures 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, 11 October 2022



 Ann-Maree Johnson - Sunset east of Muckadilla on the side of the Warrego highway, Qld



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AgForce Regional offices:

North Qld – Ayr, Townsville and Longreach

Central Qld – Rockhampton

South East Qld – Toowoomba

Southern Inland Qld – Roma

South West Qld – Charleville