

Foodbank Queensland Limited

ABN 89 067 251 209

Financial Statements
30 June 2017

Foodbank Queensland Limited

ABN 89 067 251 209

Financial Statements

30 June 2017

Table of Contents

Directors' Report	1 – 3
Auditor's Independence Declaration	4
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 16
Directors' Declaration	17
Independent Audit Report	18 – 19

Directors' Report

The Directors present their report on the Company for the financial year ended 30 June 2017.

Directors

The names of the Directors in office at any time during, or since the end of the year are:

John Debenham - Chairman
Greg Phillips
Helen Skippen
David Muir
Catherine (Katie) Mickel
Robert (Bob) Newey
Michael Hill
Craig Baker
Daniel Mackay (Resigned 13 October 2016)
Peter Stewart (Resigned 12 March 2017)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Helen Skippen held the position of Company Secretary up to 30 June 2017.

Operating Results

The surplus of the Company for the financial year amounted to \$212,338 (2016: \$181,202).

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations found that during the year, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal Activity

The principal activity of the Company during the financial year was food distribution to charities.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the company in future financial years.

Directors' Report (continued)

Likely Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Information on Directors

The information on Directors is as follows:

John Debenham	- Chairman - Head of Business Banking - Suncorp
Greg Phillips	- Deputy Chairman
Helen Skippen	- Company Secretary - Partner – Corporate Context Pty Ltd
David Muir	- Board Member - Solicitor – HWL Ebsworth
Catherine (Katie) Mickel	- Board Member - Educator & Managing Director – Kel Kel Global Education
Daniel Mackay	- Board Member - Managing Director – Mackays Marketing
Robert Newey	- Board Member - Principal - Newey Consulting Pty Ltd
Michael Hill	- Board Member - Accountant - Partner - McGrath Nicol
Peter Stewart	- Board Member - Lawyer - Partner - McCullough Robertson
Craig Baker	- Board Member - General Manager Sales & Marketing – Lindsay Australia

Directors' Report (continued)

Meetings of Directors

	Directors Meeting	
	Number Attended	Number Eligible to Attend
John Debenham (Chairman)	8	8
Helen Skippen	8	8
Greg Phillips	4	8
David Muir	6	8
Catherine (Katie) Mickel	6	8
Daniel Mackay	2	4
Robert (Bob) Newey	7	8
Michael Hill	7	8
Peter Stewart	2	8
Craig Baker	6	8

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officer or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

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 a 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.


Auditor's Independence Declaration

A copy of the auditor's independence declaration as required is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:



John Debenham



Michael Hill

Date: 21 September 2017

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Foodbank Queensland Limited for the year ended 30 June 2017.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Brisbane, Queensland
21 September 2017

A B Narayanan

**A B Narayanan
Partner**

HLB Mann Judd (SE Qld Partnership) ABN 68 920 406 716

Level 15, 66 Eagle Street, Brisbane QLD 4000 | GPO Box 5225 Brisbane QLD 4001

Telephone +61 (0)7 3001 8800 | Facsimile +61 (0)7 3221 0812 | Email: infobne@hlbqld.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Foodbank Queensland Limited

ABN 89 067 251 209

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue from operating activities	2	3,753,061	3,319,252
Employee benefits expense		(1,064,482)	(990,548)
Depreciation and amortisation expense	3(a)	(137,140)	(126,050)
Lease expenses	3(a)	(3,972)	(3,036)
Foodbank Australia - Direct Expenses	3(c)	(1,036,114)	(786,533)
Freight and transport costs		(729,903)	(787,645)
Electricity		(70,244)	(69,912)
Printing and stationery		(12,921)	(11,367)
Professional fees		(19,805)	(19,677)
Motor vehicle expense		(139,158)	(129,032)
Other expenses	3(b)	(326,984)	(214,250)
Surplus before income tax		<u>212,338</u>	<u>181,202</u>
Income tax expense		-	-
Surplus for the year		<u>212,338</u>	<u>181,202</u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>212,338</u></u>	<u><u>181,202</u></u>

The accompanying notes forms part of the financial statement

Foodbank Queensland Limited

ABN 89 067 251 209

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	4	4,200,549	3,893,945
Trade and other receivables	5	94,306	118,993
Total current assets		<u>4,294,855</u>	<u>4,012,938</u>
Non-current assets			
Property, plant and equipment	6	691,005	674,877
Total non-current assets		<u>691,005</u>	<u>674,877</u>
Total assets		<u>4,985,860</u>	<u>4,687,815</u>
Current liabilities			
Trade and other payables	7	233,431	154,973
Non-current liabilities			
Trade and other payables	7	14,386	7,137
Total liabilities		<u>247,817</u>	<u>162,110</u>
Net assets		<u>4,738,043</u>	<u>4,525,705</u>
Equity			
Retained surplus		4,738,043	4,525,705
Total equity		<u>4,738,043</u>	<u>4,525,705</u>

The accompanying notes form part of these financial statements.

Foodbank Queensland Limited

ABN 89 067 251 209

Statement of Changes in Equity

For the year ended 30 June 2017

	Retained Surplus \$	Total \$
Balance at 1 July 2015	4,344,503	4,344,503
Surplus for the year	181,202	181,202
Other comprehensive income for the year	-	-
Balance at 30 June 2016	<u>4,525,705</u>	<u>4,525,705</u>
Surplus for the year	212,338	212,338
Other comprehensive income for the year	-	-
Balance at 30 June 2017	<u><u>4,738,043</u></u>	<u><u>4,738,043</u></u>

The accompanying notes form part of these financial statements.

Foodbank Queensland Limited

ABN 89 067 251 209

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers (including donations)		2,767,564	2,328,160
Receipts from Queensland State Government		870,646	870,646
Payments to suppliers and employees		(3,221,220)	(2,980,978)
Interest received		106,171	108,107
Net cash provided by operating activities	8	523,161	325,935
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		84,545	64,317
Payment for property, plant and equipment		(301,102)	(223,633)
Net cash used in investing activities		(216,557)	(159,316)
Net increase in cash and cash equivalents		306,604	166,819
Cash and cash equivalents at beginning of year		3,893,945	3,727,126
Cash and cash equivalents at end of year	4	4,200,549	3,893,945

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of section 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Foodbank Queensland Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, are prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. 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.

The financial statements were authorised on 21 September 2017 by the directors of the company.

(a) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

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

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

Classes of Fixed Assets	Depreciation Rate
Leasehold Improvements	7.5%
Plant and equipment	13 – 30%
Motor Vehicles	13 – 25%

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. 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(i) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

Foodbank Queensland Limited

ABN 89 067 251 209

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash and cash equivalents

Cash on hand equivalents includes cash on hand, deposits held at-call with banks and other short-term highly liquid investments.

(g) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Revenue

Grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the entity obtains control of the grant and is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(i) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(k) New accounting standards and interpretations

In the year ended 30 June 2017, the Company has reviewed all of the new and revised Standards and Interpretation issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Company that there is no impact, material and otherwise, of the new revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to the Company accounting policies.

Foodbank Queensland Limited

ABN 89 067 251 209

Notes to the Financial Statements
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 2: Revenue			
Operating activities			
Handling fee		2,028,564	1,680,370
Interest received		106,171	108,107
Operating grants		873,530	870,646
Donations		728,987	627,795
Other revenue		15,809	32,334
Total revenue from operating activities		<u><u>3,753,061</u></u>	<u><u>3,319,252</u></u>
Note 3: Surplus for the year			
(a) Surplus for the year has been determined after:			
Rental expense on operating leases		3,972	3,036
Remuneration of the auditor - audit		<u>6,500</u>	<u>5,565</u>
Depreciation or amortisation		<u>137,140</u>	<u>126,050</u>
(b) Other expenses comprise the following items:			
Advertising		27,047	25,050
Bad Debts Expense		-	5,370
Bank Charges		929	619
Charity Events		14,614	-
Cleaning & Garden Maintenance		25,695	24,169
Computer Expenses		12,154	1,556
Donations to Foodbank Foundation		-	31,932
Fines		-	61
Insurance		12,885	12,113
Loss on Sale of non-current Assets		63,167	-
Pest Control		3,990	3,297
Postage		5,091	5,289
Rates & Taxes		15,803	15,277
Repairs & Maintenance		55,222	38,463
Security Costs		1,310	1,188
Subscriptions		28,695	2,793
Telephone		15,078	13,933
Travel & Accommodation		7,038	5,434
Uniforms		8,060	6,719
Warehouse Consumables		30,206	20,987
		<u><u>326,984</u></u>	<u><u>214,250</u></u>

Foodbank Queensland Limited

ABN 89 067 251 209

Notes to the Financial Statements

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 3: Surplus for the year (continued)			
(c) Foodbank Australia - Direct Expenses comprise the following items:			
Foodbank Australia Levy		119,530	117,908
Foodbank Australia Collaborative Supply		854,891	605,830
Interstate Transfer Levy		61,693	62,795
		<u>1,036,114</u>	<u>786,533</u>
Note 4: Cash and cash equivalents			
Cash on hand		100	100
Cash at bank		855,656	740,796
Deposits at call		3,344,793	3,153,039
Undeposited Funds		-	10
		<u>4,200,549</u>	<u>3,893,945</u>
Note 5: Trade and other receivables			
Trade receivables		28,481	49,217
Other receivables		49,714	20,746
Amount due from FBA		16,111	49,030
		<u>94,306</u>	<u>118,993</u>
Note 6: Property, plant and equipment			
Leasehold improvements			
Leasehold improvements - at cost		63,338	63,338
less: Capital works deduction		(55,221)	(54,546)
Total leasehold improvements		<u>8,117</u>	<u>8,792</u>
Plant and equipment			
Plant and equipment - at cost		767,452	696,843
less: Accumulated depreciation		(532,366)	(486,084)
Total plant and equipment		<u>235,086</u>	<u>210,759</u>
Motor vehicles			
Motor vehicles - at cost		677,485	705,487
less: Accumulated depreciation		(229,683)	(250,161)
Total motor vehicles		<u>447,802</u>	<u>455,326</u>
Total property, plant and equipment		<u>691,005</u>	<u>674,877</u>

Foodbank Queensland Limited

ABN 89 067 251 209

Notes to the Financial Statements

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 7: Payables			
CURRENT			
Trade Creditors		76,636	38,855
Sundry payables and accrued expenses		45,732	8,422
Employee benefits		111,063	107,696
Total current payables		233,431	154,973
NON-CURRENT			
Employee benefits		14,386	7,137
Total non-current payables		14,386	7,137
Note 8: Cash flow information			
(a) Reconciliation of cash flow from operations to surplus			
Surplus for the year		212,338	181,202
Non-cash flows in surplus			
- Depreciation		137,262	126,050
- Net (gain)/loss on disposal of property, plant and equipment		63,167	(10,941)
Changes in assets and liabilities			
- Decrease in receivables		24,687	17,569
- Increase/(decrease) in payables		75,091	(2,900)
- Decrease in provisions		10,616	14,955
		523,161	325,935

Note 9: Company details

The registered office of the Company is:

Foodbank Queensland Limited
179 Beverley St
Morningside QLD 4170

The principal place of business is:

Foodbank Queensland Limited
179 Beverley St
Morningside QLD 4170

Directors' Declaration

As stated in Note 1 to the financial statements, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Australian Charities and Not-for-profits Commission Act 2012* requirements.


1. The Director's declare that the:

- (a) the financial statements and notes set out on pages 5 to 16 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards to the extent described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (ii) giving a true and fair view of the Company financial position as at 30 June 2017 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Director's.



John Debenham



Michael Hill

Date: 21 September 2017

Independent Auditor's Report To the Members of Foodbank Queensland Limited

Opinion

We have audited the financial report of Foodbank Queensland Limited ("the Company"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 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 Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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 special purpose financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

HLB Mann Judd (SE Qld Partnership) ABN 68 920 406 716

Level 15, 66 Eagle Street, Brisbane QLD 4000 | GPO Box 5225 Brisbane QLD 4001

Telephone +61 (0)7 3001 8800 | Facsimile +61 (0)7 3221 0812 | Email: infobne@hlbqld.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

The directors are responsible for overseeing the Company'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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in dark blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

A handwritten signature in dark blue ink that reads 'A B Narayanan'.

**A B Narayanan
Partner**