Foodbank Queensland Limited

ABN 89 067 251 209

Financial Statements

30 June 2020

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Foodbank Queensland Limited
ABN 89 067 251 209

Directors' Report

The Directors present their report on the Company for the financial year ended 30 June 2020.

Directors

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

Robert (Bob) Newey – Chairperson
Michael Hill – Deputy Chairperson
David Muir
Craig Baker – resigned 31 October 2019
Natasha Olsson-Seeto
Ian Mitchell
Mark Reinke
Kimberley Swords
Rhyll Gardner

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

Company Secretary

Leah Coogans held the position of Company Secretary up to 16 April 2020. Justin Hogg held the position of Company Secretary up to 30 June 2020.

Operating Results

The surplus of the Company for the financial year amounted to $1,185,173 (2019: deficit $52,527).

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.

The company has experienced an increase in demand for food quantity as well as demand for new memberships. There has been an emergence of new groups of people experiencing hunger, leading to specific initiatives to support them. For example, international students via hamper delivery programs with Study Brisbane, Gold Coast and Sunshine Coast. The pandemic has resulted in closure of schools impacting on delivery of the school breakfast program, which led to FBQ supporting schools in alternate ways through provision of hampers. There has been an impact on the supply chain initially due to panic buying, followed by an overcorrection which led to retailers having an oversupply of certain items that had been much sought-after during panic buying. The Company has seen an Impact/increase on the prices of some of the products FBQ purchases through FBA purchasing programs, due to changes in demand and Australian currency exchange rates Furthermore, the pandemic has had an impact on volunteer numbers, due to the age of some volunteers but also due to caution about working in a frontline essential service.

The company expects that any additional instances of lockdowns (not necessarily just in Qld) will lead to these issues occurring in an ongoing way

New Accounting Standards Implemented

The company has implemented AASB 15: Revenue from contracts with customers, AASB 16: Leases and AASB 1058: Income of Not-for-Profit Entities which has come into effect and is included in the results.

Directors' Report (continued)

AASB 15: Revenue from contracts with customers, AASB 16: Leases and AASB 1058: Income of Not-for-Profit Entities have been applied using the modified approach, and as such comparatives have not been restated.

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.

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:

Robert Newey (Chairperson)	- Board Member - Principal - Newey Consulting Pty Ltd
Michael Hill (Deputy Chairperson)	- Board Member - Accountant - Partner - McGrath Nicol
David Muir	- Board Member - Director – Clem Jones Group
Craig Baker	- Board Member – resigned 31 October 2019 - General Manager Sales & Marketing – Lindsay Australia
Natasha Olsson-Seeto	- Board Member - Director & Chief Executive Officer - OnTalent Pty Ltd
Ian Mitchell	- Board Member - Director - Queensland Cricket Association

Directors' Report (continued)

Mark Reinke	- Board Member - Director - Australian Association of National Advertisers
Kimberley Swords	- Board Member - Advisor – McKinsey & Company
Rhyll Gardner	- Board Member - Non-Executive Director

	Directors Meeting	
	Number Attended	Number Eligible to Attend
Robert Newey (Chairperson)	10	10
David Muir	9	10
Michael Hill	10	10
Craig Baker	2	2
Natasha Olsson-Seeto	8	10
Ian Mitchell	8	10
Mark Reinke	8	10
Kimberley Swords	7	10
Rhyll Gardner	8	10

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:

Robert Newey

Date: 21.9.20.

Michael Hill

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 2020.

Adrian

A B Narayanan
Partner

Brisbane, Queensland
21 September 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	2	6,426,316	4,329,214
Employee benefits expense		(2,360,607)	(1,817,131)
Depreciation and amortisation expense	3(a)	(227,905)	(141,833)
Lease expenses	3(a)	(6,850)	(5,445)
Foodbank Australia - Direct Expenses	3(c)	(1,073,450)	(1,174,269)
Freight and transport costs		(579,594)	(667,823)
Electricity		(55,459)	(52,322)
Printing and stationery		(37,428)	(23,269)
Professional fees		(18,212)	(20,353)
Motor vehicle expense		(166,388)	(146,511)
Other expenses	3(b)	(714,550)	(332,785)
Surplus / (Deficit) before income tax		1,185,873	(52,527)
Income tax expense		-	-
Surplus / (Deficit) for the year		1,185,873	(52,527)
Other comprehensive income		-	-
Total comprehensive income for the year		1,185,873	(52,527)

The accompanying notes forms part of these financial statements

Foodbank Queensland Limited

ABN 89 067 251 209

Statement of Financial Position

As at 30 June 2020

	Note	2020 $	2019 $
Current assets			
Cash and cash equivalents	4	1,589,104	439,420
Financial assets	5	4,150,548	4,056,787
Trade and other receivables	6	196,747	137,906
Other assets	7	51,432	33,198
Total current assets		5,987,831	4,667,311
Non-current assets			
Property, plant and equipment	8	732,452	614,067
Total non-current assets		732,452	614,067
Total assets		6,720,283	5,281,378
Current liabilities			
Trade and other payables	9	237,451	218,386
Provisions	10	122,505	120,942
Income received in advance	11	305,514	64,918
Total current liabilities		665,470	404,246
Non-current liabilities			
Provisions	10	26,573	34,765
Total non-current liabilities		26,573	34,765
Total liabilities		692,043	439,011
Net assets		6,028,240	4,842,367
Equity			
Retained surplus		6,028,240	4,842,367
Total equity		6,028,240	4,842,367

The accompanying notes form part of these financial statements.

Foodbank Queensland Limited
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Statement of Changes in Equity
For the year ended 30 June 2020

	Retained Surplus $	Total $
Balance at 1 July 2018	4,894,894	4,894,894
Deficit for the year	(52,527)	(52,527)
Other comprehensive income for the year	-	-
Balance at 30 June 2019	4,842,367	4,842,367
Surplus for the year	1,185,873	1,185,873
Balance at 30 June 2020	6,028,240	6,028,240

The accompanying notes form part of these financial statements.

Foodbank Queensland Limited
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Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (including donations)		4,861,199	3,133,922
Receipts from grants		2,139,315	1,365,955
Payments to suppliers and employees		(5,489,588)	(4,401,290)
Interest received		90,590	117,366
Net cash provided by operating activities	**12**	**1,601,516**	**215,953**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(358,071)	(138,436)
Investment in Term Deposits		(93,761)	(318,342)
Net cash used in investing activities		**(451,832)**	**(456,778)**
Net increase / (decrease) in cash and cash equivalents		1,149,684	(240,825)
Cash and cash equivalents at beginning of year		439,420	680,245
Cash and cash equivalents at end of year	**4**	**1,589,104**	**439,420**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

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 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.

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 2020 by the directors of the company.

(a) 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.

(ii) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates.

The company has experienced an increase in demand for food quantity as well as demand for new memberships. There has been an emergence of new groups of people experiencing hunger, leading to specific initiatives to support them. For example, international students via hamper delivery programs with Study Brisbane, Gold Coast and Sunshine Coast. The pandemic has resulted in closure of schools impacting on delivery of the school breakfast program, which led to FBQ supporting schools in alternate ways through provision of hampers. There has been an impact on the supply chain initially due to panic buying, followed by an overcorrection which led to retailers having an oversupply of certain items that had been much sought-after during panic buying. The Company has seen an Impact/increase on the prices of some of the products FBQ purchases through FBA purchasing programs, due to changes in demand and Australian currency exchange rates Furthermore, the pandemic has had an impact on volunteer numbers, due to the age of some volunteers but also due to caution about working in a frontline essential service.

Note 1: Statement of significant accounting policies (continued)

The company expects that any additional instances of lockdowns (not necessarily just in Qld) will lead to these issues occurring in an ongoing way.

(b) New accounting standards and interpretations

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 15 Revenue from Contracts with Customers
The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.
The impact on the financial performance and position of the consolidated entity from the adoption of this Accounting Standard is detailed below.

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any

Note 1: Statement of significant accounting policies (continued)

related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption
AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surplus as at 1 July 2019.
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The company has elected to apply the following transition practical expedients:

- To exclude initial direct costs from the measurement of right-of-use assets at the date of initial application;
- To exclude lessee arrangements with a short remaining term from date of initial application or leases assessed as low value;
- Use of a single discount rate for the portfolio of leases with reasonably similar characteristics;
- Use of hindsight with regards to determination of the lease term.

There was no impact on opening retained surplus as at 1 July 2019.

(c) 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.

(d) 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

Note 1: Statement of significant accounting policies (continued)

depreciated over the shorted 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	2.5 – 67%
Motor Vehicles	10 – 40%

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.

(e) 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.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company 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 (except for trade receivables) are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Note 1: Statement of significant accounting policies (continued)

Financial assets

Financial assets are subsequently measured at:
- amortised cost;
- fair value through profit and loss

on the basis of the two primary criteria, being:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Note 1: Statement of significant accounting policies (continued)

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss

Impairment

The company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

– the simplified approach

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

– trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and contain a significant financing component; and

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

(g) 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.

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

(i) 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.

(j) In-kind' provision of services to Foodbank Queensland Limited
FBQ receives 'in kind' services from a number of individuals and organisations. FBQ does not recognise an expense or associated revenue for these 'in kind' services in the financial report. The major 'in kind' services received include:

- Freight and food transport services
- Legal services
- Volunteers (individuals)
- Recruitment fees

Notes to the Financial Statements
For the year ended 30 June 2020

Note 1: Statement of significant accounting policies (continued)

(k) Revenue

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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.

Grants
Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations
Donations are recognised at the time the pledge is made.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services
The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

(l) 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.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

	Note	2020 $	2019 $
Note 2: Revenue			
Revenue from contracts with customers			
Handling fee		2,795,524	2,012,754
Operating grants		1,944,832	1,241,777
Total revenue from contracts with customers		4,740,356	3,254,531
Other revenue			
Interest received		90,590	117,366
Donations		1,505,392	942,910
Other revenue		89,978	14,407
Total other revenue		1,685,960	1,074,683
Total Revenue		**6,426,316**	**4,329,214**

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2020 $	2019 $
Timing of revenue recognition		
Goods transferred at a point in time	2,795,524	-
Services transferred over time	1,944,832	-
	4,740,356	-

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Notes to the Financial Statements
For the year ended 30 June 2020

	Note	2020 $	2019 $
Note 3: (Deficit) / Surplus for the year			
(a) (Deficit) / Surplus for the year has been determined after:			
Rental expense on operating leases		6,850	5,445
Remuneration of the auditor			
- audit		8,000	7,500
Depreciation or amortisation		227,905	141,833
(b) Other expenses comprise the following items:			
Advertising		29,912	14,646
Bank charges		2,615	1,934
Charity events		66,696	72,749
Cleaning & garden maintenance		42,776	29,038
Computer expenses		45,443	12,887
Consultancy fees		90,162	6,205
Contractors and labour hire		127,664	-
Insurance		17,285	15,648
Loss on sale of non-current assets		11,781	-
Pest control		4,677	3,245
Postage		8,855	2,742
Entertainment		2,167	330
Rates & taxes		6,211	5,475
Repairs & maintenance		60,680	62,123
Security costs		2,332	489
Staff recruitment		12,640	-
Storage costs		5,375	-
Subscriptions		14,727	45,954
Telephone		38,406	34,519
Travel & accommodation		13,067	7,164
Uniforms		3,275	8,209
Warehouse consumables		98,051	9,428
Warehouse equipment hire		9,753	-
		714,550	332,785
(c) Foodbank Australia - Direct Expenses comprise the following items:			
Foodbank Australia Levy		168,531	119,495
Foodbank Australia Collaborative Supply		827,949	959,074
Interstate Transfer Levy		76,970	95,700
		1,073,450	1,174,269

Notes to the Financial Statements

For the year ended 30 June 2020

	Note	2020 $	2019 $
Note 4: Cash and cash equivalents			
Cash on hand		1,652	1,867
Cash at bank		1,587,452	437,553
		1,589,104	439,420
Note 5: Financial assets			
Deposits at call		4,150,548	4,056,787
		4,150,548	4,056,787
Note 6: Trade and other receivables			
Trade receivables		54,394	52,760
Other receivables		142,353	85,146
		196,747	137,906
Note 7: Other assets			
Prepayments		51,432	33,198
		51,432	33,198
Note 8: Property, plant and equipment			
Leasehold improvements			
Leasehold improvements - at cost		103,695	63,338
less: Capital works deduction		(57,957)	(56,571)
Total leasehold improvements		45,738	6,767
Plant and equipment			
Plant and equipment - at cost		1,030,349	853,327
less: Accumulated depreciation		(706,643)	(630,041)
Total plant and equipment		323,706	223,286
Motor vehicles			
Motor vehicles - at cost		750,441	670,485
less: Accumulated depreciation		(415,048)	(364,311)
Total motor vehicles		335,393	306,174

Notes to the Financial Statements
For the year ended 30 June 2020

	Note	2020 $	2019 $
Note 8: Property, plant and equipment (continued)			
Computer equipment & software			
Computer equipment - at cost		107,928	78,021
less: Accumulated depreciation		(80,313)	(10,386)
Total computer equipment & software		27,615	67,635
Work in progress			
Work in progress		-	10,205
Total work in progress		-	10,205
Total property, plant and equipment		732,452	614,067
Note 9: Payables			
CURRENT			
Trade Creditors		154,913	105,499
Sundry payables and accrued expenses		82,538	112,887
		237,451	218,386
Note 10: Provisions			
CURRENT			
Employee benefits		122,505	120,942
		122,505	120,942
NON-CURRENT			
Employee benefits		26,573	34,765
		26,573	34,765
Note 11: Income received in advance			
Income received in advance		305,514	64,918
		305,514	64,918

Note 12: Cash flow information

(a) Reconciliation of cash flow from operations to surplus / (deficit)

Surplus / (Deficit) for the year	1,185,873	(52,527)
Non-cash flows in deficit		
- Depreciation	227,905	141,833
- Net (gain)/loss on disposal of property, plant and equipment	11,781	-
Changes in assets and liabilities		
- (Increase) / decrease in receivables	(58,841)	14,342
- (Increase) / decrease in other assets	(18,234)	27,543
- Increase / (decrease) in payables	19,065	82,966
- Increase / (decrease) in income received in advance	240,596	12,918
- Increase / (decrease) in provisions	(6,629)	(11,122)
	1,601,516	215,953

Note 13: Contingent Liabilities

In the opinion of the directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None)

Note 14: Events after the Reporting Period

The Board of Directors' are not aware of any significant events since the end of the reporting period.

Note 15: 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

Foodbank Queensland Limited
ABN 89 087 251 208

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 20 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 2020 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.

Robert Newey

Michael Hill

Date. 21·9·20

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

Opinion

We have audited the financial report of Foodbank Queensland Limited ("the Entity"), which comprises the statement of financial position as at 30 June 2020, 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 Entity 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 Entity's financial position as at 30 June 2020 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 Entity 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, has been given to the directors.

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

Emphasis of Matter – Coronavirus (COVID-19) Pandemic

We draw attention to Note 1(a) to the financial report, which describes the uncertainties and possible effects of on the Company arising from its management of the ongoing issues related to COVID-19. Our opinion is not modified in respect of this matter.

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 Management and 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 Entity'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 Entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the 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 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 Entity'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 Entity'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 Entity 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Adrian

A B Narayanan
Partner

Brisbane, Queensland
21 September 2020