

Foodbank Queensland Limited

ABN 89 067 251 209

Financial Statements

30 June 2022

Foodbank Queensland Limited

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Financial Statements

30 June 2022

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Foodbank Queensland Limited

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Directors' Report

The Directors present their report, together with the financial statements, on Foodbank Queensland Limited ("the Company") for the financial year ended 30 June 2022.

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

Natasha Olsson-Seeto

Linda Miller (appointed on 20 October 2021)

Ian Mitchell

Mark Reinke

Kimberley Swords (resigned on 15 September 2021)

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

Justin Hogg holds the position of Company Secretary since 14 April 2020.

Operating Results

The surplus of the Company for the financial year amounted to \$1,156,249 (2021: surplus \$706,156).

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations show an increase in revenue of 46.5% to \$9,750,289. Surplus for the year was up from \$706,156 in FY21 to \$1,156,249 in FY22.

The floods in South-East Queensland in early 2022 had a major impact on the Company's fundraising, federal government funding and demand for both food and non-food products. The Company has experienced an increase in demand for food quantity as well as demand for new memberships, particularly from member charities supporting school breakfast programs. The global, national and local impacts of Covid-19 continue in the form of price volatility on purchased products, fuel and freight increases, major variability in supplier support due to lean initiatives and financial constraints. These issues are considered part of the continuing environment irrespective of lockdowns. The Company has focused on a number of projects to improve efficiency and effectiveness across the operations and is responding to the changing external environment from a supply and demand perspective.

Significant Changes in State of Affairs

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

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Directors' Report (continued)

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 portion of the Company's assets, profits or surpluses are to be paid or transferred as dividends per the Company's constitution.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$50 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$400, based on 8 current ordinary members.

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.

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Directors' Report (continued)

Information on Directors

The information on Directors is as follows:

Robert Newey (Chairperson)	<ul style="list-style-type: none">- Board Member- Non-executive Director – Capilano Beekeepers Pty Ltd
Michael Hill (Deputy Chairperson)	<ul style="list-style-type: none">- Board Member- Board Member – ACT Super Management Pty Ltd
David Muir	<ul style="list-style-type: none">- Board Member- Director - Clem Jones Pty Ltd- Director – Clem Jones Queensland Pty Ltd- Director – Real Republic Pty Ltd- Director – Queensland Broker Holdings Pty Ltd
Natasha Olsson-Seeto	<ul style="list-style-type: none">- Board Member- Non-executive Director - OnTalent Pty Ltd- Non-executive Director – RCSA (Recruitment and Consultant Services Association)
Linda Miller (appointed 20 Oct 2021)	<ul style="list-style-type: none">- Board Member
Ian Mitchell	<ul style="list-style-type: none">- Board Member- Non-Executive Director – Asia Pacific Associates- Non-Executive Director – Aviation Australia- Company Secretary - Queensland Cricket Ltd
Mark Reinke	<ul style="list-style-type: none">- Board Member- Chairman and Non-executive Director – Ingrity Data and Analytics- Non-executive Director - NTD
Kimberley Swords (resigned 15 Sept 2021)	<ul style="list-style-type: none">- Board Member- Advisor of McKinsey & Company
Rhyll Gardner	<ul style="list-style-type: none">- Board Member- Non-Executive Director – Innovation & Business Skills Australia Ltd- Non-executive Director – Identitii Ltd- Non-executive Director – Interfinancial Corporate Finance Ltd

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Directors' Report (continued)

Meeting of directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Directors Meetings	
	Number Attended	Number Eligible to Attend
Robert Newey	7	7
Michael Hill	6	7
David Muir	7	7
Natasha Olsson-Seeto	7	7
Linda Miller	5	5
Ian Mitchell	7	7
Mark Reinke	7	7
Kimberley Swords	1	2
Rhyll Gardner	6	7

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 5.

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


Bob Newey (Sep 12, 2022 09:14 GMT+10)

Robert Newey



Michael Hill

Date: 7 September 2022



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012
TO THE DIRECTORS OF FOODBANK QUEENSLAND LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Brisbane, Queensland
7 September 2022

hlb.com.au

HLB Mann Judd (SE Qld Partnership)

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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	9,750,289	6,653,244
Employee benefits expense		(3,167,137)	(2,688,904)
Depreciation and amortisation expense	4(a)	(256,901)	(175,882)
Lease expenses	4(a)	(2,646)	(3,265)
Foodbank Australia - Direct expenses	4(c)	(1,190,016)	(1,194,508)
Freight and transport costs		(557,170)	(573,330)
Electricity		(53,517)	(49,370)
Printing and stationery		(22,597)	(30,755)
Professional fees		(14,488)	(6,026)
Motor vehicle expense		(204,947)	(176,588)
Other expenses	4(b)	(3,124,621)	(1,048,460)
Surplus before income tax		1,156,249	706,156
Income tax expense	1(a)	-	-
Surplus for the year		1,156,249	706,156
Other comprehensive income		-	-
Total comprehensive income for the year		1,156,249	706,156

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	3,026,714	2,209,160
Financial assets	6	4,229,923	4,206,797
Trade and other receivables	7	192,928	107,423
Other assets	8	105,218	47,537
Total current assets		7,554,783	6,570,917
Non-current assets			
Property, plant and equipment	9	971,249	897,285
Total non-current assets		971,249	897,285
Total assets		8,526,032	7,468,202
LIABILITIES			
Current liabilities			
Trade and other payables	10	334,748	207,739
Provisions	11	168,018	146,861
Other liabilities	12	100,581	345,002
Total current liabilities		603,347	699,602
Non-current liabilities			
Provisions	11	32,040	34,204
Total non-current liabilities		32,040	34,204
Total liabilities		635,387	733,806
Net assets		7,890,645	6,734,396
Equity			
Retained surpluses		7,890,645	6,734,396
Total equity		7,890,645	6,734,396

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the year ended 30 June 2022

	Retained Surpluses	Total
	\$	\$
Balance at 30 June 2020	6,028,240	6,028,240
Surplus for the year	706,156	706,156
Other comprehensive income for the year	-	-
Balance at 30 June 2021	<u>6,734,396</u>	<u>6,734,396</u>
Surplus for the year	1,156,249	1,156,249
Other comprehensive income for the year	-	-
Balance at 30 June 2022	<u><u>7,890,645</u></u>	<u><u>7,890,645</u></u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (including donations)		6,971,766	5,286,371
Receipts from grants		2,585,650	1,646,415
Payments to suppliers and employees		(8,416,461)	(5,964,514)
Interest received		31,431	47,687
Net cash provided by operating activities	13	1,172,386	1,015,959
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		45,864	23,293
Payment for property, plant and equipment		(377,571)	(362,947)
Investment in term deposits		(23,125)	(56,249)
Net cash used in investing activities		(354,832)	(395,903)
Net increase in cash and cash equivalents		817,554	620,056
Cash and cash equivalents at beginning of year		2,209,160	1,589,104
Cash and cash equivalents at end of year	5	3,026,714	2,209,160

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2022

General information

The financial statements cover Foodbank Queensland Limited as an individual entity. Foodbank Queensland Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised on 7 September 2022 by the directors of the Company.

Note 1: Statement of significant accounting policies

Basis of preparation

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.

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.

(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.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

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 depreciated over the shortest 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%
Computers and software	20 – 50%

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) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Foodbank Queensland holds only one lease, which is a peppercorn lease with the Queensland State Government for the use of the building and site at 179 Beverley Street, Morningside, and as a result no corresponding lease liability is recognised.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(d) 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.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- 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.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- 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; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(d) Financial instruments (continued)

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.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(d) Financial instruments (continued)

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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 recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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.

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).

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(d) Financial instruments (continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(e) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for 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.

(f) 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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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.

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Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(h) 'In-kind' provision of services to Foodbank Queensland Limited

The Company receives 'in kind' services from a number of individuals and organisations. The Company does not recognise an expense or associated revenue for these 'in kind' services in the financial report.

The major 'in kind' services received include:

1. Freight and food transport services
2. Legal services
3. Volunteers (individuals)
4. Recruitment fees
5. Donation of food items

(i) 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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(j) Good 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 (ATO). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) 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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(m) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(o) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

No right of use assets have been recognized in the current financial year.

(p) Comparative Figures

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

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1: Statement of significant accounting policies (continued)

(q) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2: 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.

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, particularly from members supporting school breakfast programs. The global, national and local impacts of Covid-19 continue in the form of price volatility on purchased products, fuel and freight increases, major variability in supplier support due to lean initiatives and financial constraints. These issues are considered part of the continuing environment irrespective of lockdowns. The Company has focused on a number of projects to improve efficiency and effectiveness across the operations and is responding to the changing external environment from a supply and demand perspective.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1(e), 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.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2: Critical accounting estimates and judgements (continued)

Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not *exercise a termination option*, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Foodbank Queensland Limited

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Notes to the Financial Statements For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 3: Revenue			
Revenue from contracts with customers			
Handling fee		4,080,324	3,290,465
Operating grants		2,585,650	1,646,415
Total revenue from contracts with customers		<u>6,665,974</u>	<u>4,936,880</u>
Other revenue			
Interest received		31,431	47,687
Donations		3,021,957	1,561,923
Other revenue		30,927	106,754
Total other revenue		<u>3,084,315</u>	<u>1,716,364</u>
Total revenue		<u>9,750,289</u>	<u>6,653,244</u>

Disaggregation of revenue

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

Timing of revenue recognition

Goods transferred at a point in time		4,080,324	3,290,465
Services transferred over time		2,585,650	1,646,415
		<u>6,665,974</u>	<u>4,936,880</u>

Note 4: Surplus for the year

(a) Surplus for the year has been determined after:

Rental expense on operating leases		2,646	3,265
Remuneration of the auditor		8,200	8,000
Depreciation or amortisation		256,901	175,882

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Notes to the Financial Statements

For the year ended 30 June 2022

Note	2022 \$	2021 \$
Note 4: Surplus for the year (continued)		
(b) Other expenses comprise the following items:		
Advertising and fundraising costs	808,053	112,420
Bank charges	41,122	19,865
Bad debts expense	1,041	-
Cleaning & garden maintenance	72,377	56,932
IT system and consultancy costs *	591,769	86,853
Consultancy fees	112,727	176,291
Contractors and labour hire	242,801	256,477
Disaster Relief Costs	899,931	-
Extraordinary expenses	-	28,000
Employee Health Wellbeing	7,152	-
Insurance	50,660	24,412
Loss/(profit) on sale of non-current assets	841	(1,061)
Pest control	7,177	6,745
Postage	129	1,124
Entertainment	3,039	4,739
Rates & taxes	7,471	6,066
Repairs & maintenance	77,420	60,509
Reward & Recognition	2,894	-
Security costs	3,394	4,200
Staff recruitment	20,086	40,154
Stamp duty	895	-
Subscriptions	24,192	16,465
Telephone	43,140	40,417
Travel & accommodation	6,759	10,710
Uniforms	1,793	8,233
Warehouse consumables	26,625	65,502
Warehouse equipment hire	1,335	23,407
Interstate donations	69,798	80,899
	<u>3,124,621</u>	<u>1,129,359</u>

* Foodbank Queensland underwent significant transformation in FY22.

(c) Foodbank Australia - Direct expenses comprise the following items:

Foodbank Australia levy	138,786	167,133
Foodbank Australia collaborative supply	1,051,230	946,476
	<u>1,190,016</u>	<u>1,113,609</u>

Foodbank Queensland Limited

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Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 5: Cash and cash equivalents			
Cash on hand		106	206
Cash at bank		3,026,608	2,208,954
		<u>3,026,714</u>	<u>2,209,160</u>
Note 6: Financial assets			
Term deposits		4,229,923	4,206,797
		<u>4,229,923</u>	<u>4,206,797</u>
Note 7: Trade and other receivables			
Trade receivables		129,878	73,882
Other receivables		63,050	33,541
		<u>192,928</u>	<u>107,423</u>
Note 8: Other assets			
Prepayments		105,218	47,537
		<u>105,218</u>	<u>47,537</u>
Note 9: Property, plant and equipment			
Leasehold improvements			
Leasehold improvements - at cost		107,023	107,023
less: Accumulated depreciation		(67,349)	(62,865)
Total leasehold improvements		<u>39,674</u>	<u>44,158</u>
Plant and equipment			
Plant and equipment - at cost		1,275,691	1,249,854
less: Accumulated depreciation		(849,512)	(744,943)
Total plant and equipment		<u>426,179</u>	<u>504,911</u>
Motor vehicles			
Motor vehicles - at cost		814,463	725,707
less: Accumulated depreciation		(432,987)	(459,157)
Total motor vehicles		<u>381,476</u>	<u>266,550</u>

Foodbank Queensland Limited

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Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 9: Property, plant and equipment (continued)			
Computer equipment and software			
Computer equipment - at cost		269,131	186,237
less: Accumulated depreciation		(145,211)	(104,571)
Total computer equipment and software		123,920	81,666
Total property, plant and equipment		971,249	897,285
Note 10: Trade and other Payables			
CURRENT			
Trade creditors		72,546	96,078
Sundry payables and accrued expenses		262,202	111,661
		334,748	207,739
Note 11: Provisions			
CURRENT			
Employee benefits		168,018	146,861
		168,018	146,861
NON-CURRENT			
Employee benefits		32,040	34,204
		32,040	34,204
Note 12: Other liabilities			
Income received in advance		100,581	345,002
		100,581	345,002

Foodbank Queensland Limited

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Notes to the Financial Statements

For the year ended 30 June 2022

Note	2022	2021
	\$	\$
Note 13: Cash flow information		
(a) Reconciliation of cash flow from operations to surplus for the year		
Surplus for the year	1,156,249	706,156
Non-cash flows in surplus		
- Depreciation	256,901	175,882
- Net (gain)/loss on disposal of property, plant and equipment	841	(1,061)
Changes in assets and liabilities		
- (Increase) / decrease in receivables	(85,505)	108,930
- (Increase) / decrease in other assets	(57,681)	3,895
- Increase / (decrease) in payables	127,009	(49,318)
- Increase / (decrease) in income received in advance	(244,422)	39,488
- Increase / (decrease) in provisions	18,994	31,987
	<u>1,172,386</u>	<u>1,015,959</u>

Note 14: Contingent liabilities

In the opinion of the directors, the company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 15: Events after the reporting period

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

Note 16: Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$50 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$400, based on 8 current ordinary members.

Note 17: Key management personnel disclosure

Key management personal

Any person(s) having authority and responsibility for planning, directing and controlling the activity of the company, directly or indirectly, including any director (whether executive or otherwise) of that Company are considered key management personnel.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate compensation	<u>556,822</u>	<u>519,841</u>
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Foodbank Queensland Limited

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Notes to the Financial Statements

For the year ended 30 June 2022

Note 18: Commitments

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

Note 19: 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

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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.

The Director's declare that the:

- (a) the financial statements and notes, set out on pages 6 to 26, 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's financial position as at 30 June 2022 and its 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 Board of Directors.



Bob Newey (Sep 12, 2022 09:14 GMT+10)

Robert Newey



Michael Hill

Date: 7 September 2022

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Foodbank Queensland Limited ("the Entity"), which comprises the statement of financial position as at 30 June 2022, 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 has been prepared 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 2022 and of its financial performance 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 (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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which 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 - 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*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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HLB Mann Judd (SE Qld Partnership)

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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, 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 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 and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012*. Management's responsibility also includes 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

Brisbane, Queensland
7 September 2022

A handwritten signature in black ink, appearing to read 'A B Narayanan'.

A B Narayanan
Partner