

2022



# Annual Report





# Our FarmLink story

## Productivity, profitability and sustainability

FarmLink is about the future of farming – productive, profitable and sustainable farms and farmers. We are committed to delivery of innovation for farmers in southern NSW and supporting them in the implementation of change on their farms and in their farm businesses. We believe that strong farm businesses create vibrant local communities.

## Our governance

FarmLink is a not for profit company limited by guarantee established in 2004. The constitutional objectives of the company are focussed on Research Development and Extension (RD and E) activities designed to achieve profitable and sustainable farming businesses in southern NSW. We have approximately 800+ individual members involved in agriculture in SNSW representing 300+ farming, advisory, research and other agribusinesses.

## Our Reach

The FarmLink region covers 1.4mil ha of arable land across SNSW. The region encompasses high, medium and low rainfall production zones and a range of farming enterprises from continuous cropping, livestock and mixed farming enterprises. Acidic red duplex soils are dominant in the cereal and canola production zones across the region.

FarmLink reaches over 3000 people annually through our media and social media presence, events, activities, and communications. FarmLink's activities and region involves 13 different local government areas, including Temora Shire Council, Junee Shire Council, Coolamon Shire Council, Hilltops Shire Council, Wagga Wagga City Council, Cowra Shire Council, Cootamundra-Gundagai Shire Council, Greater Hume Shire Council, Lockhart Shire Council, Narrandera Shire Council, Bland Shire Council and Weddin Shire Council.

## Our Business

FarmLink currently partners with a range of industry organisations and agribusinesses to conduct RD and E activities at demonstration and/or field trial sites across the region including TAIC. We have projects focussed on soil management and health, farming systems, livestock and farm technology.

FarmLink has 20 corporate partners across the agribusiness sector. Our partnership packages have been designed to appeal to businesses and organisations with values and aspirations aligned with FarmLink's. We see our partnerships as opportunities to introduce our members to valuable skills and expertise of businesses operating in agriculture across our region and for our partners to meet and better understand our farmers. A FarmLink Partnership allows our farmers and regional businesses to grow long term, beneficial relationships.

# Contents

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## OUR FARMLINK STORY 2

---

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## OUR STRATEGIC OBJECTIVES 4

---

Innovation in Leadership  
Sustainable Organisation

---

## OUR KEY ACTIVITIES 5

---

Local Focus  
Sustainable Business  
Relevant Projects  
Productive Partnerships

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## OUR FINANCIAL STATEMENTS

from pg 6

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# Our strategic objectives

## INNOVATION IN LEADERSHIP

To be achieved through –

- ▶ Industry leadership in innovation
- ▶ Member engagement
- ▶ Capable RD&E committee
- ▶ Skilled technical resources

## SUSTAINABLE ORGANISATION

To be achieved through –

- ▶ Robust Corporate Governance framework
- ▶ CEO and Staff capability
- ▶ Financial stability
- ▶ Member and partner value

# Our key activities

## Member Footprint Focus

Establish trial, demonstration sites and farmer discussion groups across our member footprint to embed innovation on farm.

Continue to identify and prioritise RD and E requirements of farmers across SNSW and present those nationally, regionally and locally to facilitate investment and delivery of relevant innovation.

## Sustainable Business

Continue to diversify revenue sources for FarmLink to allow delivery of innovation with less reliance on project funds.

Implement formalised project management processes to support growing staff and project numbers.

## Relevant Projects

Convert RD and E committee priorities into on-the-ground projects for soils and farming systems.

Work with industry and funding partners to deliver innovation in drought resilience, strategic weed management, soil health and fertility, nitrogen use efficiency management and productive pulse production in SNSW.

Quantify the benefits – social, economic and environmental – of regional agriculture and groups such as FarmLink.

## Productive Partnerships

Continue to work with local advisors, NSW DPI, LLS and CSIRO to develop and deliver innovation for members.

Work with industry partners to establish a hub of innovation for Southern NSW.

**FARMLINK RESEARCH LIMITED**

**Financial Report**

**ABN: 23 109 837 505**

**31 December 2022**

## CONTENTS

## Page No

Directors' Report	3
Auditor's Independence Declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' Declaration	27
Independent Auditor's Report	28

## **DIRECTORS' REPORT**

The directors present their report, together with the financial statements, on FarmLink Research Limited for the year ended 31 December 2022.

### **Information on Directors**

The names of each person who has been a Director during the year and to the date of this report are:

Mr Robert McColl  
Appointed 30/01/2014  
Position: Director/ Chairperson (from 23/10/2020)  
Qualifications: Bachelor of Farm Management  
Special responsibilities: Chair and Audit & Risk Committee

Mr Ronald Heinrich  
Appointed 30/01/2014  
Position: Director  
Qualifications: Solicitor, Chartered Tax Advisor  
Special responsibilities: Chair of Audit & Risk Committee, Chair of Nominations and Remunerations Committee

Mr John Stevenson  
Appointed 20/03/2018  
Position: Director  
Qualifications: Bachelor of Applied Science - Agriculture  
Special responsibilities: RD&E Committee

Mrs Jennyvean Thompson  
Appointed 20/03/2018  
Position: Director  
Qualifications: Masters of Business Administration, Diploma in Financial Markets  
Special responsibilities: Audit & Risk Committee

Mr Michael Sinclair  
Appointed 29/03/2016  
Resigned 27/05/2022  
Position: Director  
Qualifications: Bachelor of Applied Science - Agriculture  
Special responsibilities: Former Chair of RD&E Committee, Nominations and Remunerations Committee

Mr Colin McCrone  
Appointed 29/03/2019  
Position: Director  
Qualifications: Certified Practising Accountant  
Special responsibilities: Audit & Risk Committee

Mr Mark Swift  
Appointed 01/11/2020  
Position: Director  
Qualifications: Bachelor of Business (Agricultural Management), Nuffield Scholar



## **DIRECTORS' REPORT (Cont.)**

### **Information on Directors (Cont.)**

Mr James Brady  
Appointed 27/05/2022  
Position: Director  
Qualifications: Graduate Bachelor in Agriculture  
Special responsibilities: Chair of RD&E Committee

Mr Francis McRae  
Appointed 27/05/2022  
Position: Director  
Qualifications: Bachelor of Rural Science (Honour), Graduate Certificate in Marketing  
Special responsibilities: RD&E Committee

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

### **Principal activities**

The principal activities of FarmLink Research Limited ("the Company") during the financial year were to coordinate and communicate private, public and grower group funded research and development activities within southern New South Wales (NSW).

No significant changes in the nature of the Company's activities occurred during the financial year.

### **Operating results**

The deficit of the Company amounted to \$709,800 (2021 surplus: \$76,239).

### **Significant changes in state of affairs**

There are no significant changes in the Company's state of affairs occurred during the financial year.

### **Short-term objectives**

Based on the 2022 FarmLink Research Limited strategic plan, operating environment, constitutional objectives and current state of business, the Company's short-term objectives are:

- Innovation Leadership – This is broken down into the following categories; industry leadership in innovation, member engagement, capable RD&E Committee and skilled technical resources. The Company will meet these objectives through high quality and value delivery, targeted member communications and staff training and development.
- Sustainable Organisation – This is broken down into the following categories; corporate governance framework, CEO and staff, financial stability and member and partner value. The Company will meet these objectives through a skills-based board, robust financial reporting systems, diversified income stream and active involvement of members and partners.

## DIRECTORS' REPORT (Cont.)

### Long term objectives

The Company's long-term objectives are to:

- Improve the viability of farm businesses in southern NSW through research and development of systems that will further the environmental and economic sustainability of the region;
- Act as an independent regional grower and industry driven organisation that recognises and addresses the research and development needs of local communities in southern NSW;
- Develop, test and extend innovative science-based management systems to improve profitability and protect the natural resource base of mixed farms in southern NSW; and
- Co-ordinate and communicate more widely and effectively the results of private, public and grower group funded research and development activities relevant to farming systems in southern NSW.

### How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Delivering innovation to farmers in southern NSW; and
- Facilitating interaction between farmers, advisors and researchers to better define RD&E issues/opportunities and to enable adoption of outcomes.

### Performance measures

The following measures are used within the Company to monitor performance:

- Financial performance against budget; and
- Project delivery against milestones.

### Meetings of Directors

During the financial year, 5 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Eligible to attend	Number attended
Mr Robert McColl	5	5
Mr Ronald Heinrich	5	5
Mr John Stevenson	5	4
Mrs Jennyvean Thompson	5	5
Mr Michael Sinclair	1	1
Mr Colin McCrone	5	3
Mr Mark Swift	5	5
Mr James Brady	4	4
Mr Francis McRae	4	4

### Indemnification

The Company has paid premiums to insure each of its Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than the conduct involving a wilful breach of duty in relation to the Company.



**DIRECTORS' REPORT (Cont.)**

**Members' guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At year end, the total amount that members of the Company are liable to contribute if the Company is wound up is \$500 (2021: \$620).

**Events after the reporting date**


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

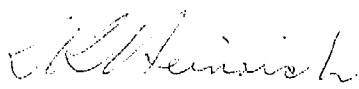
**Auditors' independence declaration**

The Auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 7 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

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

  
Director: .....  
Mr Robert McColl.

  
Director: .....  
Mr Ronald Heinrich

Dated: 17<sup>th</sup> April of 2023

## AUDITOR'S INDEPENDENCE DECLARATION

### RSM Australia Partners

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As lead auditor for the audit of the financial report of FarmLink Research Ltd for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*RSM*

### RSM AUSTRALIA PARTNERS



### JOHN FINDAY

Partner

Ballarat, Victoria

Dated this 20<sup>th</sup> day of April 2023

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the financial year ended 31 December 2022

	Notes	2022 \$	2021 \$
<b>Revenue and other income</b>			
Revenue		2,522,059	2,514,665
Other income		139,793	91,470
<b>Total revenue and other income</b>	4	<b>2,661,852</b>	<b>2,606,135</b>
<b>Expenses</b>			
Advertising and development		3,314	20,934
Communication and events		81,702	143,853
Depreciation	12	109,893	82,748
Employee benefits		943,248	913,782
Contract services		1,064,965	1,391,600
Travel expenses		25,272	16,325
Other expenses	5	947,553	332,304
<b>Deficit before (loss)/gain from changes in the fair value of other financial assets</b>		<b>(514,095)</b>	<b>(295,411)</b>
(Loss)/Gain from changes in the fair value of other financial assets		(195,705)	371,650
<b>(Deficit)/Surplus before income tax</b>		<b>(709,800)</b>	<b>76,239</b>
Income tax expense	2 (a)	-	-
<b>(Deficit)/Surplus for the year</b>		<b>(709,800)</b>	<b>76,239</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the financial year</b>		<b>(709,800)</b>	<b>76,239</b>

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

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

	Notes	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	6	1,606,466	1,771,410
Trade and other receivables	7	81,076	42,554
Contract assets	8	110,273	87,941
Inventory	9	143,426	314,669
Biological assets	10	132,698	-
<b>Total current assets</b>		<u><b>2,073,939</b></u>	<u><b>2,216,574</b></u>
<b>Non-current assets</b>			
Other financial assets	11	1,859,726	2,423,384
Plant and equipment	12	541,364	344,061
<b>Total non-current assets</b>		<u><b>2,401,090</b></u>	<u><b>2,767,445</b></u>
<b>Total assets</b>		<u><b>4,475,029</b></u>	<u><b>4,984,019</b></u>
<b>Current liabilities</b>			
Trade and other payables	13	224,035	120,946
Contract liabilities	14	1,336,804	1,248,544
Employee benefits	15	60,429	50,968
<b>Total current liabilities</b>		<u><b>1,621,268</b></u>	<u><b>1,420,458</b></u>
<b>Non-current liabilities</b>			
Employee benefits	15	-	-
<b>Total non-current liabilities</b>		<u><b>-</b></u>	<u><b>-</b></u>
<b>Total liabilities</b>		<u><b>1,621,268</b></u>	<u><b>1,420,458</b></u>
<b>Net assets</b>		<u><b>2,853,761</b></u>	<u><b>3,563,561</b></u>
<b>Equity</b>			
Retained earnings		<u>2,853,761</u>	<u>3,563,561</u>
<b>Total equity</b>		<u><b>2,853,761</b></u>	<u><b>3,563,561</b></u>

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



**STATEMENT OF CHANGES IN EQUITY**

For the financial year ended 31 December 2022

	\$
Retained earnings at 1 January 2022	<u>3,563,561</u>
<i>Comprehensive income for the financial year:</i>	
Deficit for the financial year	<u>(709,800)</u>
Retained earnings at 31 December 2022	<u>2,853,761</u>

	\$
Retained earnings at 1 January 2021	<u>3,487,322</u>
<i>Comprehensive income for the financial year:</i>	
Surplus for the financial year	<u>76,239</u>
Retained earnings at 31 December 2021	<u>3,563,561</u>

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

**STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2022

	Notes	2022 \$	2021 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		2,889,142	2,336,537
Payments to suppliers and employees		(3,024,676)	(3,156,214)
Interest received		4,410	288
Dividend and other income		48,849	46,181
<b>Net cash used in operating activities</b>		<u><b>(82,275)</b></u>	<u><b>(773,208)</b></u>
<b>Cash flow from investing activities</b>			
Purchase of plant and equipment		(307,196)	(78,404)
Net sales/(purchase) of managed investments		224,527	(23,524)
<b>Net cash used in investing activities</b>		<u><b>(82,669)</b></u>	<u><b>(101,928)</b></u>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		1,771,410	2,646,546
<b>Cash and cash equivalents at the end of the financial year</b>	6	<u><b>1,606,466</b></u>	<u><b>1,771,410</b></u>

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

### Note 1. Principal activities and basis of preparation

The financial report covers FarmLink Research Limited ('the Company') as an individual entity. FarmLink Research Limited is a not-for-profit Company Limited by Guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

#### New or amended Accounting Standards and Interpretations adopted

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 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*

[Company] has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.

The adoption of the Australian Accounting Standards – *Simplified Disclosures* did not have a significant impact on the financial performance or position of the company. No restatement of comparative information was required.

#### Basis of preparation of financial statements

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards – *Simplified Disclosures* issued by the Australian Accounting Standards Board ('AASB'), the *Corporations Act 2001* and the *Corporations Regulation 2001*.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Note 2. Summary of significant accounting policies

#### (a) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

##### *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.

**Note 2. Summary of significant accounting policies (Cont.)**

**(b) Revenue and other income (Cont.)**

*Revenue from contracts with customers (cont.)*

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Project income*

Where an enforceable agreement is determined, the Company determines whether the promise to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific', AASB 15 principles are applied to determine the appropriate revenue recognition.

*Interest revenue*

Interest is recognised using the effective interest method.

*Membership subscriptions*

Membership subscriptions represent the amounts received from the Company's members in accordance with the Rules of the Company and are recognised in the year to which they relate on a straight-line basis.

*Research and events revenue*

In the prior year, an agricultural management agreement was in place with Temora Shire Council (Council) to occupy the parcel of land and buildings known as Temora Agricultural Innovation Centre. Under the terms of the agreement, the Company managed and conducted farming operations on the site, on Council's behalf, and operated a commercial research and events organisation in partnership with the Council. The income generated from commercial research and events was distributed proportionately to the Company, and to the Council in accordance with the agreement. For the current year, the Company has assumed responsibility for all farming operations.

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

**(c) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows in the statement of cash flows are included on an inclusive basis and the GST component of cashflows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

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



**Note 2. Summary of significant accounting policies (Cont.)**

**(d) Plant and equipment**

Each class of plant and equipment is carried at historical cost less any accumulated depreciation and any impairment losses.

Historical costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

**Depreciation**

Plant and equipment, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Equipment and furniture	20-50%
Motor vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**(e) Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(f) Biological assets**

Biological assets comprise sheep on hand. Biological assets are carried at fair value less costs to sell. Fair value is based upon relevant market indicators, including market prices for sheep at balance date. Prices generally reflect the short term spot prices available in the market and vary depending on the weight and conditions of animals.

**(g) Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred). Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**(h) Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 2. Summary of significant accounting policies (Cont.)**

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

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. The financial assets were designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**(j) Financial liabilities**

The Company's financial liabilities include borrowings and trade payables, which are measured subsequently at amortised cost using the effective interest rate method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**(k) Impairment of non-financial assets**

Impairment testing is performed for non-financial assets 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.

**(l) Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with financial institutions and cash at call held by the investment manager, 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.

**(m) Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

**(n) Employee benefits**

*Short-term employee benefits*

Short-term employee benefits include liabilities for wages and salaries, including non-monetary benefits and annual leave as these are expected to be wholly settled within 12 months of the reporting date. These liabilities 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 is not expected to be wholly settled within 12 months of the reporting date and therefore is deemed to Other long-term employee benefits and is 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.

**Note 2. Summary of significant accounting policies (Cont.)**

**(o) 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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

**(p) Economic dependence**

FarmLink Research Limited is dependent on the Grains Research and Development Corporation and Temora Shire Council for the significant portion of its revenue used to operate the business. FarmLink has successfully implemented strategies at the date of this report and the Directors have no reason to believe the Grains Research and Development Corporation and Temora Shire Council will not continue to support FarmLink Research Limited.

**Note 3. Critical accounting estimates and judgements**

The Directors make estimates and judgements during the preparation of this financial report regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial report, however, as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

***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 region in which the Company operates. Other than as addressed in specific notes, currently there does not appear to be any significant impact upon the financial position of the Company or on its future results. However, there remains significant uncertainties with respect to potential subsequent events or conditions which may impact the Company as a result of the Coronavirus (COVID-19) pandemic.

***Impairment of plant and equipment***

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Note 3. Critical accounting estimates and judgements (Cont.)**

***Estimation of useful lives of assets***

The Company determines the estimated useful lives and related depreciation and amortisation charges for its 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.

***Employee benefits provision***

As discussed in note 2 (n), 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.

***Fair value measurement hierarchy***

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.



Note 4. Revenue and other income	2022	2021
	\$	\$
<b>Revenue</b>		
Project income	1,791,745	1,967,351
Consulting fees	154,050	203,869
Small events	-	19,636
Temora agricultural innovation centre income	115,309	142,495
Membership subscriptions	54,250	55,751
Administration services	-	4,940
Agricultural produce	322,756	120,623
Other	83,949	-
<b>Total revenue</b>	<b>2,522,059</b>	<b>2,514,665</b>
<i>Timing of revenue recognition</i>		
Recognised at a point in time	921,251	661,859
Recognised over time	1,600,808	1,852,806
<b>Total</b>	<b>2,522,059</b>	<b>2,514,665</b>
<b>Other income</b>		
Sponsorships	42,000	45,000
Dividend and other income	48,849	46,182
Insurance claims	44,534	-
Interest income from financial assets	4,410	288
<b>Total other income</b>	<b>139,793</b>	<b>91,470</b>
<b>Total revenue and other income</b>	<b>2,661,852</b>	<b>2,606,135</b>

**Note 5. Other expenses**

	2022	2021
	\$	\$
Audit and accounting fees	59,679	25,071
General office expenses	63,150	46,195
Insurance	24,725	20,078
Motor vehicle	80,529	43,358
Printing and stationery	43,686	26,952
Telephone, internet and IT expenses	53,100	54,233
Employee training	8,665	11,301
Investment management fees	42,075	41,489
Other administration expenses	571,944	63,627
<b>Total other expenses</b>	<b><u>947,553</u></b>	<b><u>332,304</u></b>

**Note 6. Cash and cash equivalents**

	2022	2021
	\$	\$
Cash at bank	1,201,679	1,597,886
Cash held by external custodian	404,787	173,524
<b>Total cash and cash equivalents</b>	<b><u>1,606,466</u></b>	<b><u>1,771,410</u></b>

Cash held by external custodian, refers to the cash available as at the reporting date within the portfolio of investments managed by the appointed Investment Manager (refer to note 11).

**Note 7. Trade and other receivables**

	2022	2021
	\$	\$
Trade receivables	81,077	42,554
<b>Total trade and other receivables</b>	<b><u>81,077</u></b>	<b><u>42,554</u></b>

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

**Note 8. Contract assets**

	2022	2021
	\$	\$
Project work in progress	110,272	87,941
<b>Total contract assets</b>	<b><u>110,272</u></b>	<b><u>87,941</u></b>

**Note 8. Contract assets (Cont.)**

	2022
	\$
Opening balance at 1 January 2021	87,941
Add amounts accrued at year end	22,331
<b>Carrying amount as at 31 December 2022</b>	<b><u>110,272</u></b>

**Note 9. Inventory**

	2022	2021
	\$	\$
Grain on hand	143,426	314,669
<b>Total inventory</b>	<b><u>143,426</u></b>	<b><u>314,669</u></b>

**Note 10. Biological assets**

	2022	2021
	\$	\$
Livestock on hand – Sheep	132,698	-
<b>Total biological asset</b>	<b><u>132,698</u></b>	<b><u>-</u></b>

**(a) Movements in carrying amounts**

Movement in the carrying amounts of biological between the beginning and the end of the current financial year:

	2022
	\$
Opening net book amount	-
<i>Increases due to:</i>	
Purchases	132,382
Natural increase	316
<b>Closing net book amount</b>	<b><u>132,698</u></b>

**Note 11. Other financial assets**

	2022	2021
	\$	\$
Managed investments at fair value through profit and loss	1,859,726	2,423,384
<b>Total other financial assets</b>	<b><u>1,859,726</u></b>	<b><u>2,423,384</u></b>

Managed investments at fair value through profit and loss, refers to the investments in listed equity instruments within the portfolio of investments managed by the appointed Investment Manager. The total fair value of the portfolio as at 31 December 2022, including the cash and cash equivalent held (refers to note 6), amounted to \$2,264,513 (2021: \$2,596,908).

**Note 11. Other financial assets (Cont.)**

Refer to Note 16 which shows the level of fair value hierarchy based on the lowest level of input that is significant to the fair value measurement of these assets.

**Note 12.Plant and equipment**

	2022	2021
	\$	\$
<i>Plant and equipment</i>		
At cost	586,826	355,344
Accumulated depreciation	(217,083)	(152,507)
Plant and equipment carrying value	<u>369,743</u>	<u>202,837</u>
<i>Motor vehicles</i>		
At cost	286,398	226,245
Accumulated depreciation	(138,980)	(99,481)
Motor vehicle carrying value	<u>147,418</u>	<u>126,764</u>
<i>Office equipment</i>		
At cost	35,777	35,777
Accumulated depreciation	(27,135)	(21,317)
Office equipment carrying value	<u>8,642</u>	<u>14,460</u>
<i>Work in progress</i>		
At cost	15,561	-
Work in progress carrying value	<u>15,561</u>	-
<b>Total plant and equipment</b>	<u><b>541,364</b></u>	<u><b>344,061</b></u>

**(a) Movements in carrying amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment	Motor vehicles	Office equipment	Work in progress	Total
	\$	\$	\$	\$	\$
<b>31 December 2021</b>					
Balance at the beginning of year	202,837	126,764	14,460	-	344,061
Additions	231,482	60,153	-	15,561	307,196
Depreciation expense	(64,576)	(39,499)	(5,818)	-	(109,893)
<b>Balance at 31 December 2022</b>	<u><b>369,743</b></u>	<u><b>147,418</b></u>	<u><b>8,642</b></u>	<u><b>15,561</b></u>	<u><b>541,364</b></u>



**Note 13. Trade and other payables**

	2022	2021
	\$	\$
Trade payables	180,726	94,896
GST payable	43,309	26,050
<b>Total trade payables</b>	<b><u>224,035</u></b>	<b><u>120,946</u></b>

**Note 14. Contract liabilities**

	2022	2021
	\$	\$
Membership in advance	200	-
Project income in advance	1,336,604	1,248,544
<b>Total contract liabilities</b>	<b><u>1,336,804</u></b>	<b><u>1,248,544</u></b>

**Note 15. Employee benefits**

	2022	2021
	\$	\$
<b>Current</b>		
Annual leave	49,700	42,138
Long service leave	10,729	8,830
<b>Total current employee benefits</b>	<b><u>60,429</u></b>	<b><u>50,968</u></b>
<b>Non-current</b>		
Long service leave	-	-
<b>Total employee benefits</b>	<b><u>60,429</u></b>	<b><u>50,968</u></b>

**Note 16. Fair value measurement**

**Fair value hierarchy**

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

<b>Year ended 31 December 2022</b>	<b>Level 1</b>
	\$
<b>Assets</b>	
Managed investments at fair value through profit and loss	1,859,726
Biological assets	132,698
<b>Total assets</b>	<b><u>1,992,424</u></b>
<b>Year ended 31 December 2021</b>	<b>Level 1</b>
	\$
<b>Assets</b>	
Managed investments at fair value through profit and loss	2,423,384
<b>Total assets</b>	<b><u>2,423,384</u></b>

There were no transfers between levels during the financial year.

**Note 17. Key management personnel remuneration**

Remuneration to key management personnel consists of wages and salaries paid to key management as well as honorariums, allowances and gifts paid to the Directors during the year.

	2022	2021
	\$	\$
Total key management personnel remuneration	<u>279,346</u>	<u>301,291</u>

For details of other transactions with key management personnel, refer to note 18: Related parties.

**Note 18. Related parties**

**Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered key management personnel. Key management personnel of the Company during the year were as follows:

- Mr Robert McColl (Director/Chairperson)
- Mr Ronald Heinrich (Director)
- Mr John Stevenson (Director)
- Mr Michael Sinclair (Director) (resigned 27 May 2022)
- Mr Colin McCrone (Director)
- Mrs Jennyvean Thompson (Director)
- Mr Mark Swift (Director)
- Mr James Brady (Director)
- Mr Fancis McRae (Director)
- Mr Andrew Bulkeley (Chief Executive Officer)
- Mr James Holding (Operations Manager)

For details of remuneration disclosures relating to key management personnel, refer to note 17: Key management personnel remuneration.

**Note 18. Related parties (Cont.)**

**Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties during the year:

	Purchases/ Services \$	Sales \$	Other \$	Owed to the Company \$	Owed by the Company \$
<b>Year ended 31 December 2022</b>					
Receipt from purchase of 2022 membership (John Stevenson)	-	275	-	-	-
Receipt from purchase of 2022 membership (Ron Heinrich)	-	275	-	-	-
Receipt from purchase of 2022 membership (Jennyvean Thompson)	-	275	-	-	-
Receipt from purchase of 2022 membership (Robert McColl)	-	275	-	-	-
Receipt from purchase of 2022 membership (Frank McRae)	-	275	-	-	-
Transactions with Intersales (Director related entity of Ron Heinrich)	116,448	1,580	-	5,500	-
Payment for services from Harper Bernays (Director related entity of Ron Heinrich)	-	-	45,150	-	-
Transactions with Riverina Co-Op (Jennyvean Thompson is Chairperson))	144	-	-	-	-
<b>Total</b>	<b>116,592</b>	<b>2,955</b>	<b>45,150</b>	<b>5,500</b>	<b>-</b>

**Note 18. Related parties (Cont.)**

**Transactions with related parties (Cont.)**

	Purchases/ Services \$	Sales \$	Other \$	Owed to the Company \$	Owed by the Company \$
<b>Year ended 31 December 2021</b>					
Receipt from purchase of 2021 membership (John Stevenson)	-	275	-	-	-
Transactions with Intersales (Director related entity of Ron Heinrich)	3,324	6,325	-	-	1,991
Payment for services from Harper Bernays (Director related entity of Ron Heinrich)	-	-	41,489	-	-
Payment for Ceithness Bunch (Related party to Michael Sinclair)	765	-	-	-	-
Receipt from purchase of office equipment (Andrew Bulkeley)	-	357	-	-	-
Transactions with Temora Shire Council (Director related entity of Kylie Dunstan)	1,403	-	-	-	8,066
Receipts and payments to/from Environmental Services (Director related entity of Kylie Dunstan)	1,027	115,163	-	-	-
<b>Total</b>	<b>6,519</b>	<b>122,120</b>	<b>41,489</b>	<b>-</b>	<b>10,057</b>

**Other significant balance with related parties**

The Company has appointed an Investment Manager, Harper Bernays Limited, to manage its investment portfolio, which amounted to \$2,264,513 (2021: \$2,596,908) (refer to note 11). Mr Ronald Heinrich, director of the Company is also a director of Harper Bernays Limited. During the year ended 31 December 2022, the total fee payments to Harper Bernays Limited amounts to \$45,150 (2021: \$41,489).

**Note 19. Remuneration of auditors**

	2022 \$	2021 \$
Audit of financial statements	11,650	11,200
Other services	14,290	2,200
<b>Total remuneration of auditors</b>	<b>25,940</b>	<b>13,400</b>

**Note 20. Contingencies**

In the opinion of the Directors, the Company did not have any contingencies as at 31 December 2022 (31 December 2021: None).

**Note 21. Events after the end of the reporting period**

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

**Note 22. Company details**

The registered office and principal place of business of the Company is:

FarmLink Research Limited  
361 Trungley Hall Road  
Temora NSW 2666

FarmLink Research Limited  
31 December 2021  
**DIRECTORS' DECLARATION**

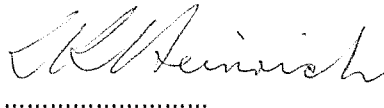
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In the directors' opinion the financial statements and notes set out on page 8 to 26:

- (a) comply with the *Corporations Act 2001*, the Australian Accounting Standards – *Simplified Disclosures*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) give a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



.....

Director: Ron Heinrich

Date: 17<sup>th</sup> April 2023



**INDEPENDENT AUDITOR'S REPORT**  
To the Members of FarmLink Research Ltd

**RSM Australia Partners**

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**Opinion**

We have audited the financial report of FarmLink Research Ltd (the Company), which comprises the statement of financial position as at 31 December 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 Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical 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 the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*RSM*

**RSM AUSTRALIA PARTNERS**



**JOHN FINDLAY**

Partner

Ballarat, Victoria

Dated this 20<sup>th</sup> day of April 2023