

Australian Macadamia Society Ltd

ANNUAL REPORT

2021/22



A PROFITABLE AND SUSTAINABLE INDUSTRY SUPPLYING QUALITY AUSTRALIAN MACADAMIAS FOR A GLOBAL MARKET

Mission



The Australian Macadamia Society Limited is established to promote all aspects of the macadamia nut industry; to encourage a free interchange of ideas and information amongst macadamia growers and marketers of macadamia nuts and by-products; and to foster and promote goodwill among members of the Society in furtherance of its objects.





Australian Macadamia Society

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Front cover:
Participants at the
inaugural Women in
Macadamias event in
Glass House
Mountains

This page from top
left: AMS members
– the Anderson
family in Bundaberg
(L to R: Mitchell,
Norm, Donna, Justin
and Graeme), Julia
Macdonald-Buchanan,
Dianne Vere, Michelle
Smith (Glass House
Mountains), Jamie
and Duane Joyce
(Bundaberg), Elle
Revell (Northern
Rivers), Greg O'Neill
(Atherton Tablelands)



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It has been another challenging year for our industry. The rollercoaster ride that is COVID continued to disrupt farming operations and cause delays, cost increases and greater risk along the supply chain for processors, exporters and marketers. But our biggest challenge came in the form

of the worst flooding in our industry's history, which severely impacted members and whole communities in South East Queensland and northern NSW.

This severe weather made the 2022 season the most difficult the industry has faced, with many members losing trees, machinery, sheds and even their homes. Our thoughts are with those still recovering from these catastrophic events and with our communities where the devastation has been without precedent.

The AusMac conference was unfortunately delayed yet again due to COVID, and we were faced with reduced opportunities to engage with members and deliver services.

Nevertheless, MacGroups were held in December 2021 (attended by more than 300 people), services were delivered and the members stuck by their association and supported us and each other.

Despite all of the hiccups, the AMS rose to the challenge by driving change on the global stage as well as continuing its role as an industry leader in supporting its members by developing world-class practice information and driving positive initiatives.

The much-awaited AMS Grower Toolkit was also completed. This world-class document is a comprehensive guide compiled from past and present levy-funded and other research and best practice to support growers in making decisions about managing their orchard so that it is highly productive and sustainable.

Demand from members for the publication has been overwhelming. Those who ordered a copy with their membership renewal were able to take advantage of a great bargain, and copies are still available for members who have not yet taken the opportunity to put an order in.



AMS MacGroup in Bundaberg



SE Qld and Northern NSW members were hit by the worst flooding in history. Pictured above is a flood damaged orchard in the Northern Rivers. Left pic: Assoc. Prof. Femi Akinsanmi (UQ) talks to growers at an AMS flood recovery event.

This year saw the full suite of 12 AMS MacAlerts released. These alerts are emailed to industry members each month, providing timely, best-practice guidelines for orchard activities.

As a result of much effort, the AMS managed to get TAFE in both NSW and Queensland to re-introduce their macadamia grower courses. This means that in NSW the course will run again and continue to be developed and improved, while in Queensland more work will be required to continue to see this opportunity made available to growers.

This year saw the introduction of one of the most important initiatives the AMS has been involved with – the establishment of the World Macadamia Organisation (WMO) – which brings most of the world's macadamia producers together to promote macadamias and stimulate demand.

For the first time, Australian macadamia growers are partnering with their peers in other origins to share the cost of this vital task. The importance of global industry coming together to develop generic marketing plans and develop markets



WMO CEO Jillian Laing visits a macadamia nursery in Vietnam.

cannot be overestimated as it has an unmatched potential to support viable farm-gate prices. The Voluntary Marketing Fund, supported by all participating macadamia handlers, is the mechanism by which the industry collects the funds necessary to support the WMO. I urge you all to support this vital initiative.

The year has also not been without its financial challenges. At the beginning of the year the board decided to further invest from members' equity on improved resources and services for our members. This along with the ongoing COVID situation and further delays for the AusMac2022 conference meant that there was a net loss of \$59k in the AMS Operating P&L for the year. Further impacting this was the timing of outlays from the reserve balance of the Voluntary Marketing Fund (VMF) carried forward from last financial year resulting in a net outlay of \$263k this financial year. On a positive note, the Macadamia Conservation Trust (MCT) posted a net profit of \$589k due to the runaway success of the commercialisation of the MCT1 variety.

The decrease in equity from losses posted in AMS as parent entity has highlighted the need for the board to look at the AMS membership funding model and service delivery and develop a strategy for a new way forward for the Society. The changes being proposed at this year's AGM form part of this strategy, and I would encourage all members to support this as we move towards building our AMS of the future.

Last year, and for the first time in its 45-year plus history, the AMS reached the significant milestone of 1000 members and associated contacts. The membership grew again this year. This is an astonishing achievement for an industry with around 800 commercial growers and confirms our claim to over 80% representation of levy payers and over 90% representation of the Australian crop. A special thank you to Tamara Hepburn, our membership officer, who with the support of the entire AMS team, has made this happen. If you are not part of this growing success, it is not too late to join, and we thank all our members for the continuing support.

As always, it is my pleasure to thank the AMS staff who have worked tirelessly on your behalf. Jacqui Price continues to manage a marketing program that is the envy of every other origin. Leoni Kojetin, assisted by Karina Griffin, has delivered



The AMS now has more than 1000 members. Pictured is AMS member Joof Alberts with AMS industry development manager Leoni Kojetin

world-class extension and technical support to members exemplified by the monthly MacAlerts and the AMS Grower Toolkit. Nyree Epplett continues to deliver an industry leading communications program and the successful AusMac conference. All this has been supported by the commitment and unstinting hard work of the core administration team of Susan Vallis, Tamara Hepburn and Melissa Loveday.

This year, the board were able to respond to the long held desire by members in regional areas for more connection with and support from the AMS by appointing our first Member Support Officer in Bundaberg, Angela Williams. Angela has hit the ground running and is an example of the improvements the board wish to introduce as part of the proposed changes to the AMS structure and services.

The Board extend our sincere thanks to retiring CEO Jolyon Burnett for his leadership and the significant contribution he has made to the Society and global macadamia industry over the last 14 years.

Jolyon worked tirelessly to grow the AMS and the services and support it provides to members. Under his guidance,



The AMS appointed our first member support officer, Angela Williams (pictured), who is based in Bundaberg.



AMS CEO Jolyon Burnett is retiring after 14 years

MacGroups were revitalised, the AMS took ownership of the levy-funded marketing program, and, more recently, played a pivotal role in the establishment of the World Macadamia Organisation and the Voluntary Marketing Fund to finance it. Our Society is now regarded as one of Australia's strongest horticultural organisations. See story on page 8.

Clare Hamilton-Bate will take over as CEO in August. Clare joins us at a challenging time, with the industry in its fastest ever period of growth and experiencing the growing pains this brings. We are currently dealing with changes to the structure and operation of the AMS, the softening of price and the need to develop new markets, the WMO and a new era of international collaboration, and the continuing fallout from COVID and the extreme weather. I know Clare is up to the task and trust you will all give her, and the AMS, your full support.

Finally, I would like to thank my fellow directors Andrew Leslie, Michael Russo and Michael McMahon, who continue to serve on the board.

On behalf of members, the Board thank Graeme Fleming, who is stepping down after serving the maximum three consecutive terms, and Aimee Thomas, who have both made an outstanding contribution.



Clare Hamilton Bate (pictured right with Hort Innovation's Olive Hood) has been appointed AMS CEO.



Caption: The AMS hosted a visit from Mr Huỳnh Ngọc Huy, the Chairman of the Vietnam Macadamia Association and the Lien Viet Post Bank who invest in macadamias in Vietnam. He is pictured here with AMS Director Michael McMahon.

Graeme's dedicated contribution to the board, the AMS and the industry cannot be overstated. Having worked as a consultant, processor, grower and manager, he brought an unparalleled knowledge of the history of the industry and a broad experience across all industry sectors. Graeme provided an important sense of members expectations to many board discussions and always based his decisions on what he believed was best for the members and the industry. He was particularly passionate about reclaiming industry ownership on investment of the statutory levies and making sure the R&D levy is delivering real benefits for growers. His long experience and understanding of grower sentiment will be sorely missed.

Aimee and her husband James came to macadamias from cotton growing and brought with them a passion for innovation and a focus on yield and performance. Driven by an interest in R&D, Aimee represented the Board on the Strategic Industry Advisory Panel that oversaw the investment of the R&D statutory levy and did her best to ensure growers got value for their money. Aimee was also passionate about increasing the representation of women on the Board and worked with staff on the development of the Women in Macadamia initiative. We wish her and her family the very best in their new life in Tasmania.

At the 2021 AGM, members approved an important change to the constitution to allow for the appointment of independent directors. The board recently used this provision to appoint Mark Napper to the casual vacancy created by the resignation of Lorraine Gorza. Mark brings a wealth of experience and knowledge to this role, particularly in financial management and strategic planning, as well as in engaging with Horticulture Innovation.

And finally, a huge thanks to you, the members of the Society. Without your continued support and encouragement, the AMS would not be the organisation it is today.

Craig Mills
AMS Chair

AMS Chief Executive Officer steps down after 14 years

After 14 years at the helm of the AMS, Jolyon Burnett was due to step down from the role in August 2022.

AMS Chair Craig Mills paid tribute to Jolyon on behalf of the Board following the announcement.

"When Jolyon joined the AMS in 2008, the industry was facing significant challenges. Farm-gate prices were low, our membership was dwindling, and various industry reviews had highlighted issues with the performance of the society.

"Jolyon was appointed to rebuild and strengthen our organisation, which he has done with outstanding commitment and professionalism," said Mr Mills. "He is a passionate advocate for our industry at all levels of government – local, state and federal – as well as the global stage."

Mr Mills said Jolyon brought an abundance of energy and expertise to the role and worked tirelessly to grow the AMS and the services and support it provides to members, so that it is regarded as one of Australia's strongest horticultural organisations. It now has a robust membership of more than 1000 members and associated contacts, representing more than 90% of Australia's macadamia production.

During his tenure, Jolyon drove many important achievements. These included revitalising MacGroups, whose participation grew from tens to hundreds, and partnering with NSW DPI to develop and launch the successful Integrated Orchard Management manual. The News Bulletin and AMS conference have evolved into some of the most professional and profitable communications vehicles in horticulture.

"Jolyon played a pivotal role in the AMS taking ownership of the levy-funded marketing program, which resulted in a more professional, targeted and commercially focused program with tangible outcomes. The development and growth of the Australian Macadamias brand remains one of the key achievements. As well, he



AMS 40-year celebration with celebrity chefs in Sydney, 2014

helped establish the collection of critical industry data with the assistance of the Australian Macadamia Handlers Association (AMHA)."

"Jolyon also took a particular interest in the Macadamia Conservation

Trust, ensuring the AMS maintained its support until it could become self-sufficient," he added.

More recently, Jolyon worked with the global industry to establish the World Macadamia Organisation (WMO) and led the establishment of the Voluntary Marketing Fund to finance it.

"Jolyon's drive and commitment to the role, our industry and to Australian horticulture has been exceptional. The Board thank him for his leadership and the significant contribution he has made to the Society and global macadamia industry."



Jolyon Burnett with AMS member/grower Jason Klotz from Bundaberg



The AMS has been energetic in advocating for the industry in trade negotiations. During the year, a new free trade agreement with India came to fruition, which will remove import tariffs on Australian macadamias into India over the next seven years, making it a very attractive market for Australian macadamia exporters. Other **free trade agreements** with Korea, Japan and China have seen a similar tariff advantage for Australian macadamias.

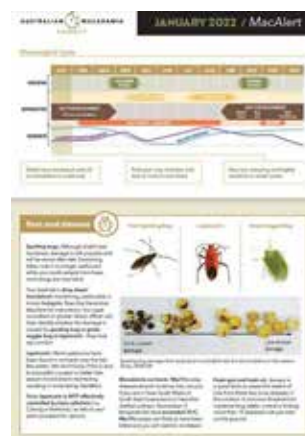


A significant development in 2021-22 was the establishment of the **Voluntary Marketing Fund**, with the support of processors and leading growers, which will support the Australian commitment to the **World Marketing Organisation** (WMO). The aim of the WMO, which has been championed by the AMS and the Australian industry, is to develop a global marketing campaign to stimulate growth and create greater demand as global supply increases to help protect grower incomes.

The first face-to-face WMO meeting was held in Dubai in May, with AMS CEO Jolyon Burnett and Board member & Bundaberg grower Michael Russo representing Australia, alongside representatives from South Africa, Kenya, Brazil, Guatemala, Vietnam and Hawaii. The meeting confirmed the commitment of all countries to an equitably funded generic macadamia marketing program.

Two major information resources were released by the AMS in 2021-22.

The AMS **Macadamia Grower Toolkit**, a comprehensive information resource on macadamia growing, was published and made available to members in mid-2022. The 146-page toolkit is a step-by-step guide detailing management principles and key steps to operating a successful, high producing orchard. Chapters include ecophysiology, orchard floor and canopy management, pests and diseases, harvest and post-harvest management and a guide to cultivars.



The toolkit is supported by **MacAlerts**, a monthly summary of key orchard management activities that can be downloaded from the AMS website. Each MacAlert overviews pests and diseases, crop inputs, mechanical operations, general management and weather outlooks for the month ahead. They are the most downloaded resource on the AMS industry website and are seen as a valuable tool for growers and for educating farm staff about important orchard management activities.



The industry **communications project** worked alongside the innovation & adoption program and key levy-funded research providers and industry experts to compile and distribute the latest, best practice information and innovation across a broad range of tools including the quarterly News Bulletin, fortnightly newsletter, industry website, fact sheets, videos, podcasts and AMS Facebook page. The Facebook page featured 187 posts over the year which were viewed a total of 62,857 times.

The **AMS YouTube channel** is a popular new addition to the suite of AMS communications tools. During the year, the channel received 9,262 views, with a total watch time of 643.5 hours. 11 new videos were posted to the channel, covering subjects like cross pollination, pest & diseases, full row tree removal, double ground wood chip, machinery innovation, the voluntary marketing fund and women in macadamias. The most popular video 'The benefits of double ground wood chip' was viewed 777 times.



After two years of COVID restrictions, **AMS MacGroups, face-to-face workshops and field days** were welcomed by the industry. MacGroups were held in December 2021 in all major growing regions with more than 300 participants attending. Topics included climate change impacts on macadamia production, successful flower management and maximising pollination, and global market development.



AMS MacGroup in Mackay



AMS CEO Jolyon Burnett and award-winning farm manager Robert ('Tod') Todhunter at an AMS MacGroup on the NSW mid north coast

As well as MacGroups, workshops and field days were organised for growers on topical issues and to address production challenges and improve farm profitability. Field days included storm recovery events following the devastating floods in NSW and South East Queensland, a grower tour of Bundaberg orchards, nurseries, processing and sorting facilities and kernel assessment workshops to improve grower knowledge of the industry assessment process and opportunities to improve quality.



Flood recovery event in the Northern Rivers



Kernel assessment workshop



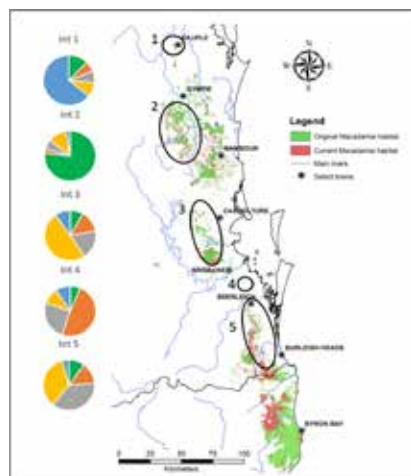
Women in Macadamias event in the Northern Rivers

In early 2022, the **Women in Macadamia** initiative was launched with the aim of creating an environment that encourages women's participation in industry and decision making at all levels. To build confidence and skills, the first industry events focussing on safe machinery operation and hosted by female growers were held in March 2022 in Bundaberg, Glass House Mountains and the Northern Rivers.



A **weather station project** managed by the AMS has established an on-farm weather station network in Queensland (a network in NSW will follow). Through the network, real-time weather data is available to members on an industry dashboard. The weather stations are paired with in-canopy sensors on farms where macadamia disease research is taking place. This project is partially funded by the Queensland Government in collaboration with University of Queensland, University of New England and Davis Instruments Australia.

Dr Karina Griffin (AMS) installs a weather station with farm manager Ben Stephenson



The **Macadamia Conservation Trust** (MCT) worked with Dr Cathy Nock of Southern Cross University on a levy-funded project to increase understanding of how the four macadamia species are related and how genetic diversity is distributed across the geographic range of the remaining wild macadamias. The findings will inform the long-term conservation of genetic and morphological diversity for the benefit of the macadamia industry and retention of natural biodiversity.



This year, MCT provided 68 wild macadamia trees for habitat restoration and school plantings. A grove of macadamias from the Gympie area have been planted on the River to Rail Trail at Gympie, with a sign explaining their significance to conservation and the macadamia industry.

The marketing program continued to raise awareness of macadamias among consumers and food manufacturers globally.

Three successful international trade PR campaigns were developed and run in Australia, Japan, China, Taiwan, South Korea and the USA in 2021-22. The campaigns focused on the importance of nutritious foods like macadamias in managing mood and stress, the fact that most consumers consider macadamias to be gift-worthy and that macadamias' high healthy fat content is becoming one of their greatest strengths.



Campaigns aimed at consumers around the world were similarly successful. The Macadamia Change Makers video campaign shone a spotlight on Australian brands and innovative thinkers using macadamias in creative ways including timber for furniture, macadamia-inspired beer and handcrafted confectionery. The campaign reached more than a million consumers, with all the videos translated for use in international markets.

The program's trade audience grew substantially in 2021-22 with notable increases in both trade e-newsletter subscribers and our trade social media following on LinkedIn and WeChat. Content covered macadamia product innovations, crop forecasts, promotion updates and consumer insights, and was seen by a growing number of sales and marketing, procurement, R&D, food innovators and C-suite personnel in food and beverage manufacturing companies.



A consumer campaign in Japan that focused on the health and beauty benefits associated with eating macadamias resulted in macadamia coverage in online media outlets with a collective audience of 138 million unique users (including users outside Japan). The activity was spearheaded by a partnership with Japanese lifestyle influencer Rina Ishii who shared macadamia content with her 204,000 Instagram fans, before appearing in a 60-minute livestream event that was broadcast on PR Times, one of Japan's largest PR platforms.



With MCT1 proving popular as a new variety for the industry and providing much needed funds for conservation projects, the big question now is what cultivars will provide the best pollen parents to plant with MCT1. The MCT has partnered with Prof. Stephen Trueman's team at Griffith University to determine the pollen parents of MCT1 nuts from existing orchards. The results will show which of the neighbouring cultivars have cross-pollinated with MCT1 to produce the collected nuts.

Norm Greber Award

Stephen McLean

Winner of the 2022 Norm Greber Award, Stephen McLean, is a long-time member of the industry who has developed a well-deserved reputation of commitment to excellence and promoting practical solutions backed by research that growers can have confidence in. Significantly, this reputation spans all sectors as a result of Steve's varied background which encompasses being a grower, consultant, liaison officer and a representative on many industry research committees.

Steve said he has always been involved in and loved agriculture, having grown up on an apple, pear orchard and dairy farm in Victoria. It was a visit to his parents newly purchased macadamia farm in the Northern Rivers in 1989 that awakened his interest in macadamias.

Around this time, he met Alan Coates and discovered that they had a mutual interest in the importance of pest and disease management and in developing on-farm solutions that were practical and that integrated cultural, chemical and biological approaches. They worked together for about 10 years. It was during this time they did early research with NSW DPI and Bioresources on pheromone trapping system for macadamia nut borer (MNB) and evaluation and implementation of the egg parasite for control of MNB, MacTrix.

Steve has maintained this commitment to integrated pest and disease management in all his roles since - as a grower and consultant and working in grower services NSW with Suncoast Gold. He also strongly believes in the importance of supporting research focused on "practical solutions for growers and good outcomes for industry".



It was this belief that motivated him to become involved with the macadamia research and development committee in 2009. He also chaired the crop protection industry reference group until it was disbanded in 2016 and was a member of the steering committee for IPDM and the Strategic Investment Advisory Panel until 2019.

Steve says that pests and diseases are a part of the farm environment that growers can have at least some control over. In this context, he was motivated by ensuring that research focused on having practical outcomes that growers could be confident in and had a good return on investment for the industry.

Since 2019, Steve has reduced his time at an industry level and has prioritised spending time with and supporting his wife Brooke and two young daughters, Opal and Matilda, and developing his own macadamia enterprises.

He said he was surprised when he was told he had won the award, and his first thought was "why me?" Since then, he has had time to consider what it means and is extremely pleased and humbled that his efforts have been recognised in this way.



Steve McLean on his family farm, with wife Brooke and daughters Matilda (left) and Opal (right)

The AMS Awards of Excellence recognise significant achievement by growers and industry representatives. Award categories are Grower of the Year (small and large farm) and Young Achiever of the Year.

Young Achiever of the Year

Graham Wessling

The winner of the Young Achiever Award for 2022 is Graham Wessling, who manages four orchards (two in Queensland and two in NSW) for CLMacs totalling 270 ha with trees aged from three to 30 years.

Despite his relative youth, Graham has a long background in the macadamia industry having started his first job with 2005 with Gray Plantations in Mackay. Since these beginnings he has also worked in macadamia enterprises in central Mexico and has maintained an occasional consultancy service to growers in Mexico and Brazil. This range of experience and seeing a variety of challenges in different growing areas has given him a unique perspective on managing macadamias and has encouraged him to think outside of the square when solving issues on farm.

As a result, Graham has developed a reputation as an innovator who is constantly looking to find more efficient ways of improving productivity and nut quality, including on the farms he manages that are in floodplain environments. Earlier this year, following the severe wet weather events in the Northern Rivers, he successfully used a mini skid loader adapted to harvest nuts from hard-to-reach and boggy areas on the Lennox Head farm he manages. He has also used helicopters to apply nutrients to wet areas that were inaccessible using ground-based machinery.

Graham's commitment doesn't end at the farm gate, rather he is always prepared to support research and other activities that benefit the industry. Recently he has been involved in a NSW DPI Clean Coastal Catchments project looking at the movement of nitrogen and phosphorus through the farm and ways of reducing losses.

"I enjoy being part of new research and support many trials being held on our farms," said Graham. "I do this for two reasons, the first being that I believe it's important to co-operate with research bodies so that we gain new information as often as possible. Secondly, being at the forefront of research and trials gives me pole position to act on any new information learned and implement it on the orchards I manage."

Graham, who said winning the award was a great honour, acknowledged the support of the companies he has worked for, and which have encouraged him to investigate and be open-minded about finding solutions. He also thanked all his "great staff members who have helped me carry out my sometimes-crazy ideas with enthusiasm".



Grower of the Year (large farm)

Macadamia Farm Management (Banyula)

Macadamia Farm Management's orchard Banyula has taken out the large farm award for Grower of the Year, which recognises consistent high production over the last five years. Banyula, a 52 ha orchard whose trees range in age from 14 to 22 years, achieved an impressive 1.6 t/ha SKR average over the last five seasons and 1.96 t/ha for the 2021 season.

According to MFM director Scott Allcott, ensuring that the trees produce at a consistently high level as those at Banyula have in the last few years requires close attention to management.

Scott explained that part of this is to do with timing of all operations, from irrigation, to pruning and applying organic matter. This has been important in achieving the orchard's average of 5 t/ha nut in shell each year, as has generally intensifying operations and maintaining a high level of inputs.

The nutrition program for the orchard helps to support its productivity, with fertilisers applied monthly, and compost, annually. Soil and leaf tests are done regularly, and fertiliser is applied where it is needed with variable rate spreaders. This makes for a soil that is as consistent as possible across the orchard. Scott says that they grow our soils which, in turn, grow the tree.

"We believe that we need buffer in our soils to produce ongoing yields, and that there are at least two crops in the trees' resource bank at any one time," Scott said.

For the last three years, a program of row removal has been undertaken which has increased spacings from 6 x 3.5 m and 7 x 3.5 m to 12 x 3.5 m and 14 x 3.5 m.

Row removal has given the high-density trees more access to light with reduced hedging. The structure of the tree relaxes



and allows more sunlight to penetrate. The costs associated with row removal are recovered by the organic matter that they compost and add back into the orchard in the following year.

Ethephon is a key ingredient in resetting the orchard each year with the aim being to drop nut as early as possible within the constraints of the annual management program. This allows time for compost to be applied and husk and orchard prunings to be swept up under the irrigated root zone of the trees.

The orchard is irrigated, and in recent drier years, Scott has found that less

water increases production. This is in part explained by the fact that by improving soil structure over the past 9 years of compost applications, they have found that the tree and soil require less water.

Regular harvest allows for fewer rejects and therefore less removed at the sorting shed when sorting. According to Scott, consistent yields of any orchard are achieved through years of constant improvement across all aspects of macadamia farming.

"There is no silver bullet," he said.

Grower of the Year (small farm)

Henry and Jarod Agostinelli

Winner in the small farm category for best productivity are Henry and Jarod Agostinelli whose 14 ha orchard, located in Beerburum in the Glass House Mountains growing region, achieved an impressive 1.89 t/ha SKR over five years and 0.49% RKR for the 2021 season.

The family has been growing macadamias for 18 years on their Beerburum orchard, which consists of 1500 trees (246 and 741s) that are 24 years old, and 2000 MCT1 trees aged between two and four years.

Jarod is largely responsible for managing the orchard, with help from his parents, Henry and Teresa. The only outside assistance is with pruning, which is done once a year using a local contractor.

Jarod's management philosophy is to keep things simple. His nutrient regime is based on applying a general macadamia mix, completing a soil test annually to ensure things are tracking along satisfactorily and regularly monitoring the trees to ensure that they are healthy. This approach has certainly been successful, given the orchard's production figures, which average between 32 and 35 t for the 1500 older trees. In future years these figures will increase with the contribution of the MCT1 trees as they mature.

Jarod uses a Flory sweeper and harvester, usually completing four rounds over the harvest period, each between seven to ten days, starting in April-May and ending in late September with a clean-up. This year was out of the usual in that only three rounds were possible, mainly because of the prolonged wet weather.

One of the things that Jarod believes contributes to the orchard's success is the fact that it is surrounded by state forest and is relatively isolated, which protects it from significant pest and disease attacks. Being close to the coast also means that rainfall is usually higher and more reliable than in the hinterland.

While he believes he doesn't do anything special as far as orchard management is concerned, Jarod does say that for him it is important "to put the hours in and do the job properly". This is certainly proving a winning formula for him and the farm.





Some of the regional award winners, from top left: Tim Salmon (Gympie), Bruce and Elizabeth Green (Clarence Valley), Bruce Maguire (Gympie) and Mike Cooper (Glass House Mountains).

2022 Regional Award Winners

Finalists in the regional awards were shortlisted by the QDAF benchmarking team using yield and quality data collected from the 2021 season. The awards are separated into small and large farms. Regional winners are listed below. Congratulations to all winners!

Farm names, where applicable, are listed in brackets.

Central Queensland

Best productivity

Large farms - Macadamia Farm Management (Banyula), 1.96 t/ha SKR
Small farms - Anthony Sinnott, 2.35 t/ha SKR

Best quality

Large farms - Macadamia Farm Management (Alloway - Wallace), 0.93% RKR
Small farms - Anthony Sinnott, 0.97% RKR

Gympie Queensland

Best productivity

Large farms - Tim Salmon (Benworth Plantation), 2.42 t/ha SKR
Small farms - Bruce Maguire (Twisted M), 1.63 t/ha SKR

Best quality

Large farms - Sandra and Ollie Lindstrom (Lindols Macadamias), 0.89% RKR
Small farms - Gary, Julie and Mitchell Davis (Kilfenora South), 0.79% RKR

Glass House Mountains Queensland

Best productivity

Large farms - Michael Cooper (Mr Macadamia), 1.73 t/ha SKR
Small farms - Bob Grice (Grice's Macadamia Farm), 2.92 t/ha SKR

Best quality

Large farms - Michael Cooper (Mr Macadamia), 0.6% RKR
Small farms - Joy and Daniel Greensill (Qld Farming), 0.37% RKR

Northern Rivers NSW

Best productivity

Large farms - Graham Wessling (LNL Australia Newrybar), 1.5 t/ha SKR
Small farms - Amanda Keller (Foxtail Farm), 1.83 t/ha SKR

Best quality

Large farms - Ian McLeod (Waila Macadamias), 1.13% RKR
Small farms - Bruce and Elizabeth Green (Julene), 0.94% RKR

Mid North Coast NSW

Best productivity

Large farms - Dymocks, Arapala Macadamia Farm (Thurgoods), 1.52t/ha SKR
Small farms - Lynda and Glenn Barnes (Patagonia Macadamia Orchard), 1.4t/ha SKR

Best quality

Large farms - Victoria Thynne (Elanora), 1.32% RKR
Small farms - Tim Zeck and Dru Marshall (Wirrimbi), 0.73% RKR

SELECTION CRITERIA

Best productivity (saleable kernel t/ha) and best quality (lowest RKR and achieving or exceeding 2021 industry average productivity of 0.98 t/ha saleable kernel).

Gympie, Glass House Mountains, NRNSW and MNNSW

Small farms = <30 ha
Large farms = >30 ha

Bundaberg and Central Queensland

Small farms = <50 ha
Large farms = >50 ha



Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

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Directors' Report

FOR THE YEAR ENDED 30 JUNE 2022



The directors present their report, together with the consolidated financial statements of the Group, being Australian Macadamia Society Limited ("the Company") and its controlled entities, for the financial year ended 30 June 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:

Aimee Thomas	Appointed 25 October 2017
Qualifications	Bachelor of Education, Certificate in Nutrition Farming
Experience	Macadamia grower Extensive experience in agricultural business development and operations
Special responsibilities	Director, Deputy Chair, Remuneration Committee
Craig Mills	Appointed 19 October 2016
Qualifications	Bachelor of Business (Marketing) and Masters of Business Administration Graduated from Hawkesbury Agricultural College with a major in Food Science
Experience	Ex-macadamia grower CEO in agricultural-based businesses for more than 15 years Extensive career in food manufacturing and marketing Demonstrated success in strategic planning, international business development (predominantly in Asia), entrepreneurship and transformational change Fellow of Institute of Company Directors
Special responsibilities	Director, Chair, Audit Committee, Remuneration Committee
Graeme Fleming	Appointed 22 January 2015
Qualifications	Diploma Production Engineering
Experience	Consulting and management of macadamia farms 31 years Co-founder/previous executive director of a macadamia processor Agricultural director, macadamia processor Macadamia grower 28 years Involvement in Landcare projects
Special responsibilities	Director
Michael Russo	Appointed 13 November 2019
Experience	Macademia grower Extensive experience in agriculture in the Childers/Bundaberg region
Special responsibilities	Director
Michael McMahon	Appointed 14 January 2021
Qualifications	Bachelor of Commerce
Experience	Macadamia grower Extensive experience in the horticulture industry in the Bundaberg region since 2003 Former director on the board of Citrus Australia, chair of Citrus Australia's QLD Regional Advisory Group, chair of QLD Citrus Exporters Group and member of the Domestic Market Development Committee Business experience in mixed farming and retail
Special responsibilities	Director, Audit Committee

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2022



Information on directors (continued)

Andrew Leslie	Appointed 30 March 2021
Qualifications	Bachelor of Economics, Post Graduate Diploma in Financial Management, Graduate, Australian Institute of Company Directors
Experience	Macadamia grower Extensive experience in the macadamia industry and operating several farms in the Northern Rivers region of NSW Experience in the set up and operation of a successful skincare business with products featuring macadamia oil
Special responsibilities	Director, Treasurer, Audit Committee Chair, Remuneration Committee
Mark Napper	Appointed 6 June 2022
Qualifications	BA (Accounting); Masters Business Administration; Graduate Australian Institute of Company Directors; Fellow Australian Certified Practicing Accountants
Experience	Ex-stone fruit and custard apple grower in Bangalow NSW 30+ years experience in Australian agribusiness as CEO and in senior executive roles Owns and operates a business advisory firm specialising in food and agribusiness Extensive experience in the horticulture industry. A previous deputy chair Horticulture Innovation Australia Ltd; co-chaired Horticulture Code of Conduct Review. Currently Chair, Santos Organics Ltd; Chair, Australian Hemp Masonry Co Pty Ltd; Chair, Northern Rivers Food; Independent Director AUSVEG Ltd; Director, Primary Industry Education Foundation Australia Limited
Special responsibilities	Director, Deputy Chair

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

Company secretary

Susan Vallis held the position of Company Secretary until 17 August 2021. Susan had held this position since 26 October 2017. Jolyon Burnett was appointed to the position of Company Secretary on 19 August 2021.

Principal activities

The principal activities of the Group during the financial year were the development and promotion of the Macadamia nut industry.

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

Strategy for achieving the objectives

The overall purpose of the Company remains to develop and drive the improvement in profitability and sustainability of members and their businesses.

The Company is implementing the 2030 vision that reflects the optimism and sound underlying conditions in the macadamia industry and the significant growth occurring in production from members.

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2022



Strategy for achieving the objectives (continued)

To support this strong growth the Company is focusing on some key enabling strategies to see wider adoption of best practice, sound environmental stewardship and improved productivity. The Company is also focused on developing the supply chain to ensure that additional supply is supported at market.

While the Company remains dependent on funding through Horticulture Innovation to deliver much of the marketing and industry development activities it currently undertakes, retained members equity can be used to leverage partnerships with other entities.

The Company continues to administer a voluntary marketing fund that raises additional resources for marketing and promotion of macadamias domestically and internationally in collaboration with other macadamia producing countries through the newly formed World Macadamia Organisation.

The Company has consulted with members and other industry stakeholders to develop a new membership structure to be put to members with the goal of raising additional income to allow the Company to invest in its own industry development activities and initiatives.

Members guarantee

Australian Macadamia Society Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for all members, subject to the provisions of the Company's constitution.

Membership Class	Number of Members	Individual Members Contribution on Winding Up of Company \$	Total Members Contribution on Winding Up of Company \$
Class A1 members	489	10	4,890
Class A2 members	37	10	370
Class A3 members	19	10	190
Class A4 members	4	10	40
Class A6 life members	6	-	-
Class B1 members	80	10	800
Class B2 members	12	10	120
Class B3 members	21	10	210
Class B4 members	8	10	80
Class C1 student members	4	10	40
Class C2 overseas members	9	10	90
Class C3 individual members	25	10	250
Class C4 organisation members	3	10	30
Additional financial contacts (sub members)	309	-	-
Total	1,026		7,110

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2022

Meetings of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Aimee Thomas
Craig Mills
Graeme Fleming
Michael Russo
Michael McMahon
Andrew Leslie
Mark Napper

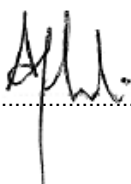
Directors' Meetings	
Number eligible to attend	Number attended
7	6
7	7
7	7
7	7
7	7
7	7
-	-

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2022 has been received and can be found on page 23 of the consolidated financial report.

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

Director:



Andrew Leslie

Dated this 20th day of September 2022

Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

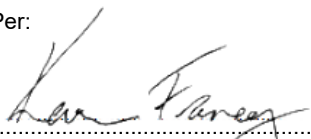
As lead auditor for the audit of the financial report of Australian Macadamia Society Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Dated at Lismore this 20th day of September 2022.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

Per:



K R FRANEY (Partner)
Registered Company Auditor

31 Keen Street
PO Box 106
Lismore NSW 2480
Phone: +61 (02) 6626 3000

Suite 704, Level 7, The Rocket
203 Robina Town Centre Drive
Robina QLD 4226
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Email: enquiries@tnr.com.au
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Liability limited by a scheme approved under the Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022



		2022	2021
	Note	\$	\$
Revenue	4	3,520,849	2,342,366
Administration and management fees		(257,051)	(205,774)
Conference expenses		-	(111,006)
Project expenses	5	(726,907)	(589,111)
Occupancy expenses		(77,647)	(39,836)
Employee benefits expense		(1,098,440)	(1,018,042)
Depreciation and amortisation expense	5	(47,452)	(59,655)
Other expenses		(69,828)	(57,497)
Voluntary Marketing Fund expenses		(976,788)	-
Profit/(loss) before income tax		266,736	261,445
Income tax expense	2(b)	-	-
Net profit/(loss) for the year		266,736	261,445
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		266,736	261,445

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022



	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,055,519	1,367,455
Trade and other receivables	7	352,404	87,024
Inventories	8	1,261	7,158
Other financial assets	9	628,898	823,802
Contract assets	10(a)	-	48,466
Other assets	11	315,842	63,318
TOTAL CURRENT ASSETS		3,353,924	2,397,223
NON-CURRENT ASSETS			
Right-of-use assets	12(a)	-	24,392
Property, plant and equipment	13	60,293	13,354
Intangible assets	14	-	10,135
TOTAL NON-CURRENT ASSETS		60,293	47,881
TOTAL ASSETS		3,414,217	2,445,104
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	698,678	144,875
Employee benefits	16	178,839	142,275
Contract liabilities	10(b)	734,525	509,344
Other liabilities	17	-	92,815
Lease liabilities	12(b)	-	18,391
TOTAL CURRENT LIABILITIES		1,612,042	907,700
NON-CURRENT LIABILITIES			
Employee benefits	16	22,657	18,622
Lease liabilities	12(b)	-	6,000
TOTAL NON-CURRENT LIABILITIES		22,657	24,622
TOTAL LIABILITIES		1,634,699	932,322
NET ASSETS		1,779,518	1,512,782
EQUITY			
Retained earnings		1,779,518	1,512,782
TOTAL EQUITY		1,779,518	1,512,782

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022



2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	1,512,782	1,512,782
Net profit/(loss) for the year	266,736	266,736
Balance at 30 June 2022	1,779,518	1,779,518

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	1,251,337	1,251,337
Net profit/(loss) for the year	261,445	261,445
Balance at 30 June 2021	1,512,782	1,512,782

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,714,162	2,195,077
Payments to suppliers and employees	(2,314,611)	(2,027,309)
Voluntary Marketing Fund contributions received	713,835	300,508
Voluntary Marketing Fund contributions paid	(538,811)	-
Donations received	5,501	8,917
Interest received	2,803	7,868
Net cash provided by/(used in) operating activities	582,879	485,061
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(60,651)	(5,496)
Net redemption/(purchase) of financial assets	194,904	92,687
Net cash provided/(used) by investing activities	134,253	87,191
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(29,068)	(39,061)
Net cash used by financing activities	(29,068)	(39,061)
Net increase/(decrease) in cash and cash equivalents held	688,064	533,191
Cash and cash equivalents at beginning of year	1,367,455	834,264
Cash and cash equivalents at end of financial year	2,055,519	1,367,455

6(a)

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



The consolidated financial report covers Australian Macadamia Society Limited and its controlled entity ('the Group'). Australian Macadamia Society Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 20 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Recognition of control of Macadamia Conservation Trust

The Directors have identified that the Australian Macadamia Society Limited controls the Macadamia Conservation Trust (MCT). This requires consolidated financial reports to be prepared.

(b) Income Tax

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Subscriptions

Revenue from the provision of membership subscriptions is recognised over time as the membership is utilised.

Voluntary Marketing Fund Contributions

The Group receives voluntary contributions from growers and others in the macadamia industry supply chain for the purposes of building international consumer awareness, driving global consumption of macadamia products and maintaining a viable return to macadamia growers. Contributions are recognised as revenue when received. Contributions can only be spent in accordance with the Voluntary Marketing Fund Charter. Refer to Note 6 for further details.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

Statement of financial position balances relating to revenue recognition (continued)

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Grants

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

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

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

(e) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

2 Summary of Significant Accounting Policies (continued)

(e) Leases (continued)

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current asset. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

2 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	12.5 - 25%
Furniture, Fixtures and Fittings	7.5% - 10%
Motor Vehicles	12.5%
Computer Equipment	15 - 33%

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the consolidated statement of profit or loss and other comprehensive income.

(i) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. The amortisation rate is 25% calculated on a straight line basis.

(j) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



2 Summary of Significant Accounting Policies (continued)

(j) Impairment of non-financial assets (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(m) Economic dependence

Australian Macadamia Society Limited is dependent on Horticulture Innovation Australia Limited (HIAL) for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Horticulture Innovation Australia Limited (HIAL) will not continue to support Australian Macadamia Society Limited.

(n) 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 consolidated statement of financial position.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



2 Summary of Significant Accounting Policies (continued)

(n) Goods and services tax (GST) (continued)

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(o) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

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

The Group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for auditor's remuneration and other minor areas.

(p) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have a material impact on the reported position or performance of the Group.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these Consolidated financial statements 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 statements, 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.

Estimation of useful lives of assets

The Group 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.

Employee benefits provision

As discussed in Note 2(l), 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

4 Revenue

	Note	2022 \$	2021 \$
Revenue from contracts with customers			
Advertising		148,572	147,613
Commissions received		144,010	124,928
Corporate sponsorship		10,069	5,000
Kernel laboratory accreditation scheme fees		31,919	31,700
Project grant income		1,379,609	1,228,140
Royalty income		675,218	205,813
Saleable items		5,287	7,508
Subscriptions		288,395	264,277
Sundry income		9,797	10,094
Workshops income		6,509	-
		2,699,385	2,025,073
Other revenue			
Donations and fundraising income		5,501	8,917
Interest received		2,803	7,868
Voluntary marketing fund contributions received	6(b)	713,835	300,508
Insurance claim proceeds		99,325	-
		821,464	317,293
Total revenue		3,520,849	2,342,366

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated as follows:

Geographical regions

- Australia	2,699,385	2,025,073
-------------	-----------	-----------

Revenue from contracts with customers

	2,699,385	2,025,073
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Timing of revenue recognition

- Goods transferred at a point in time	1,031,381	532,656
- Services transferred over time	1,668,004	1,492,417

Revenue from contracts with customers

	2,699,385	2,025,073
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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

5 Result for the Year

Significant expenses:

Note	2022 \$	2021 \$
Depreciation and Amortisation:		
Depreciation expense - plant and equipment	7,377	9,031
Depreciation expenses - motor vehicles	871	-
Amortisation - right-of-use asset	29,069	39,061
Amortisation - computer software	10,135	11,563
Total Depreciation and Amortisation	47,452	59,655
Project expenses	726,907	589,111
Other employee expenses	111,047	50,826
Voluntary Marketing Fund expenses	976,788	-
Salary and wages	897,647	886,420
Superannuation contributions	89,746	80,796

6 Cash and Cash Equivalents

Cash on hand	419	200
Cash at bank	2,055,100	1,367,255
Total cash and cash equivalents	2,055,519	1,367,455

(a) Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents	6	2,055,519	1,367,455
Balance as per consolidated statement of cash flows		2,055,519	1,367,455

(b) Restricted cash

Voluntary Marketing Fund

Growers and others in the industry supply chain are able to contribute to the Voluntary Marketing Fund maintained by the Group. Contributions received into the Fund are restricted in use as the Group must only expend these monies on marketing activities in accordance with the Voluntary Marketing Fund Charter including making contributions to the World Macadamia Organisation. The below shows movements in the Fund during the year and the closing restricted cash balance included in the cash at bank balance:

Opening balance		300,508	-
Revenue recognised	4	713,835	300,508
Expenditure incurred	5	(976,788)	-
Closing restricted voluntary marketing fund balance		37,555	300,508

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

7 Trade and Other Receivables

	2022	2021
	\$	\$
<i>At amortised cost</i>		
CURRENT		
Sundry debtors	260,959	87,024
Other receivables	91,445	-
Total current trade and other receivables	352,404	87,024

8 Inventories

CURRENT		
At cost:		
Finished goods	1,261	7,158
Total current inventories	1,261	7,158

9 Other Financial Assets

<i>At amortised cost</i>		
CURRENT		
Term deposits	628,898	823,802
Total current other financial assets	628,898	823,802

10 Contract Balances

The Group has recognised the following contract balances from contracts with customers:

(a) Current contract assets

CURRENT		
Project work in progress	-	48,466
Total current contract assets	-	48,466

(b) Current contract liabilities

CURRENT		
Subscriptions in advance	176,764	165,569
Unexpended grant funds	245,462	164,497
Income in advance	312,299	179,278
Total current contract liabilities	734,525	509,344

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

11 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	311,980	60,495
Accrued income	3,862	2,823
Total current other assets	315,842	63,318

12 Leases

The Group as a lessee

The Group had leases over office premises and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The Group leased a premise for its office, known as shop 1, 3 and 4 at 113 Dawson Street, Lismore. The commencement date was 9 December 2018 and the termination date was 8 December 2021, with an option to renew for a further 3 years. The option to extend was taken up in the current year, however the lease was terminated on 9 March 2022 as the property was rendered uninhabitable after a flooding event in February 2022. The Group has no liabilities in relation to this lease at balance date.

The Group also leased a Fuji Xerox Docu Centre VII 3373 photocopier. The commencement of the agreement was 18 February 2019 and termination date was 18 February 2024. At balance date, the Group had no present liability in relation to this lease as it was terminated early upon settlement of payout of replacement of the photocopier destroyed in the February 2022 flooding event.

(a) Right-of-use assets

	2022	2021
	\$	\$
Office premises		
Cost	-	85,433
Accumulated amortisation	-	(70,641)
Total office premises	-	14,792
Office Equipment		
Cost	-	16,800
Accumulated amortisation	-	(7,200)
Total office equipment	-	9,600
Total right-of-use assets	-	24,392

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

12 Leases (continued)

	Office Premises \$	Office Equipment \$	Total \$
Year ended 30 June 2022			
Balance at beginning of year	14,792	9,600	24,392
Additions to right-of-use assets	36,533	-	36,533
Reductions in right-of-use assets due to changes in lease liability	(24,356)	(7,500)	(31,856)
Depreciation expense	(26,969)	(2,100)	(29,069)
Balance at end of year	-	-	-

(b) Lease liabilities

	2022 \$	2021 \$
Current lease liabilities	-	18,391
Non-current lease liabilities	-	6,000
Total lease liabilities	-	24,391

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Consolidated Statement Of Financial Position \$
2022					
Lease liabilities	-	-	-	-	-
2021					
Lease liabilities	18,391	6,000	-	24,391	24,391

(c) Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2022 \$	2021 \$
Interest expense on lease liabilities	-	-
Expenses relating to short-term leases	-	-
	-	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

13 Plant and equipment

	2022	2021
	\$	\$
Plant and equipment		
At cost	38,403	126,260
Accumulated depreciation	(21,862)	(112,906)
Total plant and equipment	16,541	13,354
Motor vehicles		
At cost	44,623	-
Accumulated depreciation	(871)	-
Total motor vehicles	43,752	-
Total property, plant and equipment	60,293	13,354

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Consolidated			
Year ended 30 June 2022			
Balance at the beginning of year	13,354	-	13,354
Additions	16,028	44,623	60,651
Disposals - written down value	(5,464)	-	(5,464)
Depreciation expense	(7,377)	(871)	(8,248)
Balance at the end of the year	16,541	43,752	60,293

14 Intangible Assets

	2022	2021
	\$	\$
Computer software		
Cost	46,250	46,250
Accumulated amortisation and impairment	(46,250)	(36,115)
Net carrying value	-	10,135
Total intangibles	-	10,135

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

14 Intangible Assets (continued)

(a) Movements in carrying amounts

	Computer Software \$	Total \$
Year ended 30 June 2022		
Balance at the beginning of the year	10,135	10,135
Amortisation	(10,135)	(10,135)
Closing value at 30 June 2022	-	-

15 Trade and other payables

	2022 \$	2021 \$
<i>At amortised cost</i>		
CURRENT		
Trade payables	69,322	21,938
GST payable	56,061	50,333
Payroll liabilities	46,286	38,021
Accrued expenses	527,009	34,583
Total current trade and other payables	698,678	144,875

16 Employee Benefits

CURRENT		
Long service leave	76,106	67,539
Annual leave	102,733	74,736
Total current employee benefits	178,839	142,275
NON-CURRENT		
Long service leave	22,657	18,622
Total non-current employee benefits	22,657	18,622

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 2(l) to this report.

17 Other Liabilities

CURRENT		
Funds held in trust	-	92,815
Total current other liabilities	-	92,815

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

18 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these consolidated financial statements, are as follows:

	Note	2022 \$	2021 \$
Financial Assets			
<i>Financial assets at amortised cost:</i>			
- Cash and cash equivalents	6	2,055,519	1,367,455
- Term deposits	9	628,898	823,802
- Trade and other receivables	7	352,404	87,024
Total financial assets		3,036,821	2,278,281
Financial Liabilities			
<i>Financial liabilities at amortised cost</i>			
- Trade and other payables	15	698,678	144,875
- Lease liabilities		-	24,391
Total financial liabilities		698,678	169,266

19 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) [*] 2022	Percentage Owned (%) [*] 2021
Subsidiaries:			
Macadamia Conservation Trust	Australia	100	100

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Macadamia Conservation Trust

The Australian Macadamia Society Limited ("the Company") acts as trustee for the Macadamia Conservation Trust ("the Trust") which was established to support and conserve the wild macadamia trees.

The Company has a right of indemnity out of the assets of the Trust for liabilities incurred by the Company acting in the capacity of trustee.

The assets of the Trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right.

The assets of the Trust were sufficient to discharge all the liabilities of the Trust at 30 June 2022 and 30 June 2021.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



20 Capital Commitments

As at 30 June 2022, the Group had not engaged in any capital commitments (30 June 2021: None).

21 Auditor's Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	21,105	19,200
- other services	3,720	3,380
Total auditor's remuneration	24,825	22,580

22 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company and the Group is \$368,051 (2021: \$354,270).

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 23 *Related Parties*.

23 Related Parties

(a) The Group's main related parties are as follows:

(i) 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.

For details of remuneration disclosures relating to key management personnel, refer to Note 22 *Key Management Personnel Disclosures*.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties:

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) 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.

There were no identified transactions with related parties except for the remuneration of key management personnel disclosed in Note 22 *Key Management Personnel Disclosures*.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



24 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 \$10 each towards meeting any outstandings and obligations of the Company. At 30 June 2022 the number of members was 1,026 (2021: 1,008).

25 Events after the end of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

26 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

27 Parent entity

The following information has been extracted from the books and records of the parent, Australian Macadamia Society Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Australian Macadamia Society Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

	2022	2021
	\$	\$
Statement of Financial Position		
Assets		
Current assets	2,467,984	2,098,016
Non-current assets	60,293	47,880
Total Assets	2,528,277	2,145,896
Liabilities		
Current liabilities	1,601,891	895,132
Non-current liabilities	22,658	24,622
Total Liabilities	1,624,549	919,754
Equity		
Retained earnings	903,728	1,226,142
Total Equity	903,728	1,226,142
Statement of Profit or Loss and Other Comprehensive Income		
Net profit/(loss) for the year	(322,414)	144,106
Total comprehensive income	(322,414)	144,106

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



27 Parent entity (continued)

Guarantees

The parent entity did not enter into any Deed of Cross-Guarantee or other financial guarantees as at 30 June 2022 or 30 June 2021.

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2022 or 30 June 2021.

28 Group Details

The registered office of the Group is:

c/- Thomas Noble & Russell
31 Keen Street
Lismore NSW 2480

The principal place of business of the Group is:

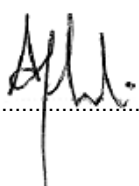
c/- Wollongbar Primary Industries Institute
Department of Primary Industries (NSW)
1243 Bruxner Highway
Wollongbar NSW 2477

Director's Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 24 to 46, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, 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.

Director 
Andrew Leslie

Dated this 20th day of September 2022



Independent Auditor's Report to the Members of Australian Macadamia Society Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Macadamia Society Limited ("the Company") and its controlled entity (the "Group") 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 Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures 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 Group 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 Director's Report and the Detailed Profit and Loss Statement for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, 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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Email: enquiries@tnr.com.au
Website: www.tnr.com.au



Liability limited by a scheme approved under the Professional Standards Legislation.



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 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 Group 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 Group 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 Group 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.

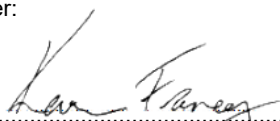
Independent Auditor's Report



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.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:



K R FRANEY (Partner)

Dated at Lismore this 20th day of September 2022

Independent Auditor's Report



The additional financial data presented on page 52 is in accordance with the books and records of the Group which have been subjected to the auditing procedures applied in our statutory audit of the Group for the year ended 30 June 2022. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Macadamia Society Limited) in respect of such data, including any errors or omissions therein however caused.

A handwritten signature in black ink, appearing to read "Karen Faneag", written over a horizontal dotted line.

Detailed Profit and Loss Statements

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
AMS OPERATING PROFIT AND LOSS STATEMENT (EXCLUDING THE VOLUNTARY MARKETING FUND)		
Income		
Advertising	148,572	147,613
Commissions received	144,010	124,928
Conference income	-	-
Corporate sponsorship	9,569	-
Government grants	29,310	77,155
Interest received	2,803	7,868
Insurance claim proceeds	99,325	-
Kernel laboratory accreditation scheme fees	31,919	31,700
MCT management fee income	51,661	52,893
Project Income	56,008	-
Reimbursement of industry costs	186,842	285,775
Saleable items	5,287	7,508
Subscriptions	288,395	264,277
Sundry income	9,482	10,093
Workshop income	6,509	-
Total income	1,069,692	1,009,810
Expenditure		
<u>Administration expenses</u>		
Accountancy fees	10,837	2,216
Amortisation - computer software	10,135	11,563
Amortisation - right-of-use asset	29,069	39,061
Audit fees	22,945	19,770
Bad debts	59	-
Bank charges	6,536	4,713
Books for resale	2,835	4,649
Chairman's allowance	6,000	6,000
Cleaning	1,765	9,176
Computer software and consulting	56,221	22,899
Conference expenses	-	111,006
Depreciation - plant and equipment	8,248	9,031
Electricity	4,337	5,295
Filing fees	250	2,528
Governance expense	48,459	34,816
Industry campaigns	-	-
Industry meetings	9,548	15,659
Insurance	13,734	14,094
Internet, website and associated costs	910	1,093
Kernel laboratory accreditation scheme expenses	29,859	30,921
Labour hire	19,059	3,644
Leave provision expense	26,235	26,243
Legal expenses	3,241	22,956
Loss/(Gain) on disposal of assets	5,464	-
Loss/(Gain) on foreign exchange	-	2,751
MCT Contribution	-	17,099
News Bulletin Production Costs	21,902	22,016
Office expenses	9,538	12,271
Postage, printing and stationery	14,366	16,063
Publications and subscriptions	18,591	16,148
Project expenses - other	29,459	79,001
Rates	4,478	4,910
Repairs and maintenance	49,290	1,096
Salaries, superannuation and HR costs	637,475	576,640
Telephone	8,239	7,087
Training	1,094	917
Travelling expenses - staff	14,419	12,880
Workshop expenses	4,556	-
Total expenditure	1,129,153	1,166,212
Net operating profit/(loss) before income tax	(59,461)	(156,402)

Detailed Profit and Loss Statements

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
AUSTRALIAN MACADAMIA INDUSTRY INNOVATION AND ADOPTION PROGRAM		
Income		
Project grants	-	352,261
Total income	-	352,261
Expenditure		
Project costs	-	376,620
Total expenditure	-	376,620
Transfer to unexpended grants	-	-
Unexpended grants brought forward	-	(21,980)
Transfer to project loss	-	(2,378)
Total other	-	(24,359)
Net operating (loss)/profit before income tax	-	-
AUSTRALIAN MACADAMIA COMMUNICATION PROGRAM		
Income		
Project grants	298,200	237,861
Total income	298,200	237,861
Expenditure		
Project costs	249,734	268,457
Total expenditure	249,734	268,457
Transfer to WIP - project	-	(48,466)
WIP Project brought forward	48,466	17,870
Total other	48,466	(30,596)
Net operating (loss)/profit before income tax	-	-
AUSTRALIAN MACADAMIA MARKETING CONSULTANCY		
Income		
Project grants	219,608	219,608
Total income	219,608	219,608
Expenditure		
Project costs	288,506	266,958
Total expenditure	288,506	266,958
Transfer to unexpended grants	9,160	78,058
Unexpended grants brought forward	(78,058)	(125,408)
Total other	(68,898)	(47,350)
Net operating (loss)/profit before income tax	-	-
MACADAMIA INDUSTRY INNOVATION AND ADOPTION PROGRAM (NEW)		
Income		
Project grants	395,611	195,000
Total income	395,611	195,000
Expenditure		
Project costs	414,483	108,561
Total expenditure	414,483	108,561
Transfer to unexpended grants	67,567	86,439
Unexpended grants brought forward	(86,439)	-
Net operating (loss)/profit before income tax	-	-

Detailed Profit and Loss Statements

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
AUSTRALIAN MACADAMIA MARKETING SERVICES SUPPORT		
Income		
Project grants	211,463	126,129
Total income	211,463	126,129
Expenditure		
Project costs	211,463	126,129
Total expenditure	211,463	126,129
Transfer to unexpended grants	-	-
Net operating (loss)/profit before income tax	-	-
AUSTRALIAN MACADAMIA COMMUNICATION PROGRAM (NEW)		
Income		
Project grants	206,025	-
Total income	206,025	-
Expenditure		
Project costs	37,290	-
Total expenditure	37,290	-
Transfer to unexpended grants	168,735	-
Unexpended grants brought forward	-	-
Net operating (loss)/profit before income tax	-	-
GLOBAL HEALTH RESEARCH PROJECT		
Income		
Project grants	-	-
Total income	-	-
Expenditure		
Project costs	92,815	10,159
Total expenditure	92,815	10,159
Transfer to unexpended contributions	-	92,815
Unexpended contributions brought forward	(92,815)	(102,974)
Total other	(92,815)	-
Net operating (loss)/profit before income tax	-	-
VOLUNTARY MARKETING FUND		
Income		
Contributions received	713,835	300,508
Total income	713,835	300,508
Expenditure		
Contributions expense	976,788	-
Total expenditure	976,788	-
Net operating (loss)/profit before income tax	(262,953)	300,508

Detailed Profit and Loss Statements

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
MACADAMIA CONSERVATION TRUST		
Income		
Grants	-	6,639
Contributions received	-	17,099
Donations	5,501	8,917
Sponsorships income	500	5,000
Royalties	675,218	205,813
Other income	315	-
Total income	681,534	243,468
Expenditure		
Project expenses	29,167	67,196
Professional fees - accounting	6,664	6,426
Management fees	48,364	46,784
Sundry expenses	8,190	5,724
Total expenditure	92,384	126,129
Net operating (loss)/profit before income tax	589,150	117,339
Net consolidated operating profit/(loss) before income tax	266,736	261,445

Australian Macadamia Society Ltd

ANNUAL REPORT 2021/22



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