COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
(A Company Limited by Guarantee)
ACN 091 122 039

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT

Your directors present their report on the results of the Council of Grain Grower Organisations Limited for the year ended 30 September 2015 and the state of affairs of the Company as at that date.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications and experience

Chris Wilkins – Chairman (Non-Executive Chairman)

Chris Wilkins has a degree in Agricultural Science and a Graduate Diploma in Business Administration. Chris has been operating his own consulting business for 18 years and provides agronomic and farm business management advice to farmer clients. He also provides advice on new farm investments, infrastructure purchases and succession planning. Chris is also a Director of Synergy Consulting and a past Committee Member of the Australian Association of Agricultural Consultants (WA). These positions require Chris to provide strategic advice and direction for those organisations.

Steven John Tilbrook (Non-Executive Deputy Chairman)(Member of the Membership and Marketing Committee)

Mr Tilbrook and his family own "Ronlands" a 4894Ha farming property at Mt Maddern. Mr Tilbrook has been a Director of many companies and is a member of the Grains Industry Association of Western Australia. He is the Chairman of their Barley Council. He is an executive member of SEPWA. He is involved in a number of community organisations and has continually undertaken professional development courses to ensure he is well qualified to serve as a director of the various organisations he has served.

Sheila Charlesworth (Non-Executive Director)(Chair of the Membership and Marketing Committee)

Sheila is the Executive Officer of the Mingenew Irwin Group and a director of the MIGO board. She is a member of the Australian Institute of Company Directors and has extensive senior corporate management experience in both the private and not for profit sectors. Sustainable research and development for regional communities is her passion and she is also member of several sporting and community groups.

Barry Large (Non-Executive Director)

Barry Large farms at Round Hill, Miling on a property known as "Moorlands". He has been farming for 22 years focussing on broad acre cropping. Mr Large was the vice Chairman of the PGA Western Grain Growers committee and is currently GPA Director/ Bio-security spokesman, Chair of the Grains seed and hay industry funding scheme committee, Director Market Industry Access Forum, Director Western Australian Bio-security Council and is on the Grain and Plant Export Industry consultative National Committee.

Ian Bruce Thomas (Non-Executive Director)

Ian Thomas farms in the Mingenew shire. The Farm produces wheat, lupins, canola, chickpeas, wool and sheep meats. He is currently on the Mingenew Irwin Group Management Committee and Chairman of the Research & Development Committee. He is currently involved with sporting activities in Mingenew.

Rhys Turton (Non-Executive Director)(Member of the Membership and Marketing Committee)

Farming in York where he produce cereals, legumes and hay and runs sheep for meat and wool. Between 1991 and 2010 also farmed at Koorda on a mixed cropping property. Currently a Councilor of the Co-operative Federation of WA, a Director of the York Community (Bendigo) Bank and a Graduate Member of the Australian Institute of Company Directors.

ACTIVITIES

The principal activity of the Company during the year was the provision of financial assistance to research providers in relation to crop improvement and the funding of general R&D as it applies to the Grains Industry in WA. The Company is limited by guarantee and is domiciled in Australia.

REVIEW OF OPERATIONS

At the September 2015 Board meeting the Directors agreed to fund a further $604,000 of R&D in 2016 in 12 separate new projects. This makes the total of R&D funded, since the Company was refocused in 2012, to over $2,000,000.

The Company has launched its new website which now shows the details and the results of the projects it has funded, which is accessible on coggo.net.au.

OPERATING RESULTS

The profit for the year ended 30 September 2015 was $338,065 (2014: profit of $1,360,222).

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number Attended
B Large	4	4
C Wilkins	4	4
I Thomas	4	4
S Tilbrook	4	3
S Charlesworth	4	3
R Turton	4	4

DIRECTORS' BENEFITS

During or since the financial year, no director of the Company has received or become entitled to receive a benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements, by reason of a contract entered into by the Company or an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the director received, or became entitled to receive the benefit with:

- a director, or
- a firm of which a director is a member, or
- an entity in which a director has a substantial financial interest.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director and Officer of the Company. The Company has agreed to:

- indemnify each Director and Officer in respect of certain liabilities incurred by the Director or Officer while acting as a Director or Officer of the Company.
- insure each Director and Officer against certain risks the Director or Officer is exposed to as a Director or Officer of the Company on the terms set out in the Deed.
- grant a right of access to certain Company Records to Directors or Officers on the terms set out in the Deed.

SIGNIFICANT EVENTS AFTER REPORTING DATE

There have been no significant events since reporting date.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is not subject to any particular or significant environmental regulation.

AUDITORS' INDEPENDENCE DECLARATION

The Auditors' Independence Declaration is included within these financial statements.

Signed in accordance with a resolution of the Directors.

C. Wilkins **DIRECTOR**	**S Tilbrook** **DIRECTOR**

PERTH, 18 December 2015

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Council of Grain Grower Organisations Limited for the year ended 30 September 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 18 December 2015

TUTU PHONG
Partner

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED

We have audited the accompanying financial report of Council of Grain Grower Organisations Limited (the "company") which comprises the statement of financial position as at 30 September 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 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 is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Council of Grain Grower Organisations Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Council of Grain Grower Organisations Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a).

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 18 December 2015

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
   a. comply with Australian Accounting Standards, which, as stated in Note 2(a) to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
   b. give a true and fair view of the Company's financial position as at 30 September 2015 and of its performance for the year ended on that date;

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.

C Wilkins
DIRECTOR

S Tilbrook
DIRECTOR

PERTH, 18 December 2015

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 $	2014 $
Grower voluntary levies		767,462	958,905
Finance revenue (interest and royalties)		120,758	211,086
		888,220	1,169,991
Directors benefits expense		(48,534)	(22,530)
Audit and accountancy costs		(37,600)	(22,180)
Consultancy expense		(143,866)	(139,816)
Insurance		(4,213)	(4,635)
Promotion and communications expense		(48,880)	(30,892)
Research and development costs		(508,480)	(542,883)
Statutory charges		(54)	(529)
Telecommunications expense		(440)	(469)
Travelling expenses		(18,100)	(15,095)
Other expenses		(33,816)	(48,959)
Profit before Income Tax		44,237	342,003
Income tax benefit	5	293,828	205,149
Net profit for the year		338,065	547,152
Other comprehensive income for the year		-	813,070
Total comprehensive income for the year		338,065	1,360,222

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash	4(a)	2,024,854	1,998,917
Trade and other receivables	6	48,692	67,743
Other assets	7	259,306	200,784
TOTAL CURRENT ASSETS		2,332,852	2,267,444
NON CURRENT ASSETS			
Intangible asset	8	-	-
TOTAL NON CURRENT ASSETS		-	-
TOTAL ASSETS		2,332,852	2,267,444
CURRENT LIABILITIES			
Trade and other payables	9	106,863	99,340
TOTAL CURRENT LIABILITIES		106,863	99,340
TOTAL LIABILITIES		106,863	99,340
NET ASSETS		2,225,989	2,168,104
EQUITY			
Retained earnings		2,225,989	2,168,104
TOTAL EQUITY		2,225,989	2,168,104

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Retained earnings $	Total $
Balance at 1 October 2013	**1,743,190**	**1,743,190**
Less de-consolidation write off	(769,685)	(769,685)
Profit for the year	1,360,222	1,360,222
Total comprehensive income for the year	1,360,222	1,360,222
Dividend recognised during the year	(165,623)	(165,623)
Balance at 30 September 2014	**2,168,104**	**2,168,104**
Balance at 1 October 2014	**2,168,104**	**2,168,104**
Profit for the year	338,065	338,065
Total comprehensive income for the year	338,065	338,065
Dividend recognised during the year	(280,180)	(280,180)
Balance at 30 September 2015	**2,225,989**	**2,225,989**

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from growers voluntary levies		847,347	999,962
Payments to suppliers and employees		(360,211)	(302,575)
Royalties received		71,875	149,865
Interest received		62,455	27,903
Income tax benefit		248,300	85,893
Payments for research grants		(563,649)	(539,901)
NET CASH FLOWS FROM OPERATING ACTIVITIES	4(b)	306,117	421,147
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer from commercial bills – Investment account		-	60,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	60,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends refunded		22,356	182,487
Dividends paid		(302,536)	(165,623)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(280,180)	16,864
NET INCREASE IN CASH HELD		25,937	498,011
Cash at the beginning of the Financial Year		1,998,917	1,500,906
CASH AT THE END OF THE FINANCIAL YEAR	4(a)	2,024,854	1,998,917

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. CORPORATE INFORMATION

These financial statements and notes represent those of Council of Grain Grower Organisations Limited (the "Company").

The Company is limited by guarantee and in accordance with the Company's constitution, the liability of members in the event of the Company being wound up would not exceed $10 per member. At 30 September 2015, the number of members was 379.

The financial statements were authorised for issue on 18 December 2015 by the directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Accounts

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The Company is for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board ("AASB") has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements 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.

Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

(b) Significant Accounting Judgements, Estimates and Assumptions

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

In the director's opinion, there are no significant judgments, estimates and assumptions used in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables, which generally have 30 to 60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Bills of exchange and promissory notes were measured at the lower of cost and net realisable value.

(e) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

(i) Growers Voluntary Levies
Revenue is recognised upon confirmation of funds to be received from the parties collecting the levies on behalf of the Company.

(ii) Interest
Revenue is recognised as it accrues using the effective interest rate method.

(iii) End Point Royalties
Revenue is recognised upon confirmation of funds to be received from the parties collecting the royalties on behalf of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Directors fees and superannuation

Liabilities for director's fees, including non-monetary benefits are recognised in other payables in respect of directors' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(h) Taxes

(i) Income Tax
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Taxes (Cont'd)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(ii) Goods and Services Tax ("GST")
Revenues, expenses and assets are recognised net of the amount of GST except:
• when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
• receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows 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, are classified as operating cash flows.

(i) Intangible Assets

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Entity are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

• represents the lowest level within the group at which the goodwill is monitored for internal management purposes; and
• is not larger than a segment based on either the Company's primary or the Company's secondary reporting format.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised.

When goodwill forms part of a cash generating unit (group of cash generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial Instruments

Initial recognition and measurement - Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement - Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost - is calculated as:

a) the amount at which the financial asset or financial liability is measured at initial recognition;
b) less principal repayments;
c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial Instruments (Cont'd)

ii. Loans and receivables - Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

iii. Held-to-maturity investments - Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets - Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition

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

(l) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with infinite lives.

(m) Comparative Figures

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

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise receivables, payables, cash, and bank bills. The totals for each category of financial instruments are as follows:

	Note	2015	2014
Financial Assets		**$**	**$**
Cash and cash equivalents	4(a)	2,024,854	1,998,917
Trade and other receivables	6	48,692	67,743
Total Financial Assets		2,073,546	2,066,660
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	106,863	99,340
Total Financial Liabilities		106,863	99,340

The Company manages its exposure to key financial risks, including interest rate and credit risk, with the objective of providing support to delivery of the Company's financial targets whilst protecting future financial security. The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Company uses different methods to measure and manage different types of risk to which it is exposed. These include analysis of aging reports to monitor and manage credit risk, analysis of future cash flow forecasts to monitor and manage liquidity risk, monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate movement. The Board reviews and agrees risk management strategies for managing each of the risks identified above. Primary responsibility for the identification and control of financial risks rests with Management under authority of the Board.

(a) Interest rate risk

The Company's exposure to interest rate risk is considered minimal. The only financial instruments subject to fluctuations in interest rates are the cash balances which earn interest at the bank's benchmark rate. All other assets and liabilities balances are fixed interest (not subject to fluctuations) or are non-interest bearing.

		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2015	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	2,024,854	(20,249)	(20,249)	20,249	20,249
Total Increase/(Decrease)		(20,249)	(20,249)	20,249	20,249
2014					
Financial Assets					
Cash and cash equivalents	1,998,917	(19,989)	(19,989)	19,989	19,989
Total Increase/(Decrease)		(19,989)	(19,989)	19,989	19,989

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk

Credit risk arises from the financial assets of the Company, comprising of cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in each applicable note. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivables balances are monitored on an ongoing basis with the result that the Company’s exposure to material bad debts is not significant.

		Interest rate exposure			Past due but not impaired			
	Weighted Average Effective Interest Rate	Carrying Amount	Variable interest rate	Non-interest bearing	Within 1 year	1 to 5 years	Over 5 years	Impaired financial assets
Financial Assets	%	$	$	$	$	$	$	$
2015								
Cash and cash equivalents	3.38	2,024,854	2,024,854	-		-	-	-
Trade and other receivables		48,692	-	48,692	48.692	-	-	-
		2,073,546	2,024,854	48,692	48,692	-	-	-
2014								
Cash and cash equivalents	3.50	1,998,917	1,998,917	-	-	-	-	-
Trade and other receivables		67,743	-	67,743	67,743	-	-	-
		2,066,660	1,998,917	67,743	67,743	-	-	-

(c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding to research providers in relation to crop improvement and General R&D and being a viable going concern. Responsibility for liquidity risk management rests with Management and the Board. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities:

		Interest rate exposure			Maturity date		
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed interest rate	Non-interest bearing	Within 1 year	1 to 5 years	Over 5 years
	%	$	$	$	$	$	$
Financial liability							
2015							
Trade and other payables	-	106,863	-	106,863	106,863	-	-
		106,863	-	106,863	106.863	-	-
2014							
Trade and other payables	-	99,340	-	99,340	99,340	-	-
		99,340	-	99,340	99,340	-	-

(d) Net Fair Values

Fair value estimation - The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Company. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Company.

	2015		**2014**	
	Carrying Amount	**Net Fair Value**	**Carrying Amount**	**Net Fair Value**
	$	**$**	**$**	**$**
Financial Assets				
Cash and cash equivalent	2,024,854	2,024,854	1,998,917	1,998,917
Bills of exchange	-	-	-	-
Trade and other receivables	48,692	48,692	67,743	67,743
	2,073,546	2,073,546	2,066,660	2,066,660
Financial Liabilities				
Trade and other payables	106,863	106,863	99,340	99,340
	106,863	106,863	99,340	99,340

Fair values are materially in line with carrying values. A discount rate has not been applied to non-current borrowings to determine fair value.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Capital Management Policy

Management and the Board monitor the Company's working capital and liquidity on the basis of expected cash flow. The information that is prepared by management and reviewed by the Board includes annual profit & loss, cash flow, and balance sheet forecasts as well as forecast revisions to accommodate potential new projects. Forecasts take account of significant items such as capital expenditure projects and sources of income.

4. STATEMENT OF CASH FLOWS

	2015 $	2014 $
(a) Reconciliation of cash		
Cash balance comprise:		
- cash at bank and on hand	2,024,854	1,998,917
(b) Reconciliation of net profit to the net cash flows from operations:		
Net profit after tax	338,065	1,360,222
- De-consolidation gain	-	(813,070)
	-	(813,070)
Changes in operating assets and liabilities		
- Trade and other receivables	19,052	41,057
- Other assets	(58,524)	(170,044)
- Trade and other payables	7,524	2,982
	(31,948)	(126,005)
Net cash flow from operating activities	306,117	421,147

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. INCOME TAX

The major components of income tax expense are:

	2015 $	2014 $
Income Statement		
Current income tax		
Current income tax charge / (benefit)	(244,640)	(194,113)
Adjustments in respect of current income tax of previous years	(44,119)	(8,861)
Deferred income tax		
Relating to the origination and reversal of temporary differences	(5,069)	(2,175)
Adjustment in respect of current income tax of previous years		
Income tax expense / (benefit) reported in the income statement	(293,828)	(205,149)

A reconciliation between income tax benefit and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:

	2015 $	2014 $
Accounting profit before income tax	44,237	1,155,589
At the Entity's statutory income tax rate of 30% (2014: 30%)	13,271	346,677
Adjustments in respect of current income tax of previous years	(44,119)	(8,861)
Net non-assessable mutual income	(161,545)	(217,611)
Research & development expenditure	202,870	162,865
Research & development concession	(304,304)	(244,297)
Reversal of provision for diminution	-	(243,922)
Other	(1)	-
	(293,828)	(205,149)

Deferred income tax

	2015 $	2014 $
Deferred tax liabilities		
Accrued Income	11,940	-
	11,940	-

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. INCOME TAX (Continued)

	2015 $	2014 $
Deferred tax assets		
Provisions	9,600	2,659
	9,600	2,659
Income tax (Refund) / Payable due – current	(244,640)	(194,113)

This deferred tax asset will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit.

The company has received a Private Ruling from the Australian Taxation Office confirming its status as a “mutual entity”. This means that the Company is not liable for income tax on any mutual funds it receives from its members. The Company is assessable for income tax on any non-mutual income less related expenditure. It is entitled to offset this income against a special deduction for eligible research and development expenditure subject to meeting the registration requirements of the Industry Research and Development Board.

The company has also received a Private Ruling from the Australian Taxation Office which confirms the entitlement to certain expenditure deductions against non-mutual income.

Tax Losses
The Entity has no Australian carry forward tax losses.

Tax Consolidation
Effective 26 February 2004, for the purposes of income taxation, The Council of Grain Grower Organisations Limited and its 100% owned subsidiaries formed a tax consolidated group. The head entity of the tax consolidated group is Council of Grain Grower Organisations Limited.

We note that all 100% subsidiaries have been wound up and COGGO remains as a single operating entity, however continues to maintain its status as the head company of a tax consolidated group.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

6. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
Current		
Accounts receivable (i)	-	9,712
Accrued income	39,799	37,853
GST receivable	8,893	20,178
	48,692	67,743

Terms and conditions
(i) Accounts receivable are non-interest bearing and generally on 30 day terms.

At balance sheet date the aging analysis of trade receivables is as follows:

	Total $	0 - 30 days $	31 - 60 days $	61 - 90 days $	+91 days $
2015	-	-	-	-	-
2014	9,712	9,712	-	-	-

There are no material trade receivable balances that are considered to be impaired.

7. OTHER ASSETS

	2015 $	2014 $
Prepayments	4,942	3,884
Deferred tax asset	9,724	2,787
Income tax refund due	244,640	194,113
	259,306	200,784

8. INTANGIBLE ASSETS - GOODWILL

	2015 $	2014 $
Cost	-	-
Accumulated impairment losses	-	-
Net carrying amount	-	-
Balance at the beginning of the year	-	139,105
Impairment losses / derecognition	-	(139,105)
Closing value at 30 September 2015	-	-

The recoverable amount of the balance of goodwill had been assessed using Value-in-use calculations. Value-in-use is calculated based on the present value of forecast cash flows over a 5-year period. The cash flows are discounted using the yield of 5-year government bonds at the beginning of the budget period.

Management had based the value-in-use calculations on budgeted cash flows for Grain Biotech Australia ("GBA") results, being the entity for which the goodwill was initially recognised on acquisition, and the smallest identifiable cash generating unit which exists pertaining to the intangible asset. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the periods which are consistent with inflation rates applicable to the locations in which GBA operates. Discount rates are pre-tax and are adjusted to incorporate risks associated with the GBA. GBA had been merged with its parent company and then written off so no further goodwill exists.

Growth rate applied: 1%
Discount rate applied: 21.25%

9. TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade creditors (i)	-	48,325
Other creditors and accruals	94,923	51,015
Deferred tax liability	11,940	-
	106,863	99,340

(i) Terms and conditions
Trade creditors are non-interest bearing and normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

10. REMUNERATION OF AUDITORS

	2015 $	2014 $
Amounts received or due and receivable by RSM Australia Partners for:		
Auditing the financial statements	12,000	15,000
	12,000	15,000

11. KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Details of Key Management Personnel

(i) Directors

Barry Large	Director (Non-Executive)
Chris Wilkins	Director (Non-Executive Chairman)
Ian Bruce Thomas	Director (Non-Executive)
Steven John Tilbrook	Director (Non-Executive Deputy Chairman, Member of the Membership and Marketing Committee)
Sheila Charlesworth	Director (Non-Executive) (Chair of the Membership and Marketing Committee)
Rhys Turton	Director (Non-Executive) (Member of the Membership and Marketing Committee)

There were no changes to the key management personnel during the reporting year.

Remuneration Policy:

The Company, at its 2009 AGM, empowered the Board to pay up to a maximum of $80,000 in total remuneration to Non Executive Directors per annum. The Company determines the proportion and manner of remuneration to be paid to each individual Non Executive Director.

The Company Secretary is on a fee-based contract for his services which the Board reviews from time to time.

	Short term employee benefits			
Directors	**Salary & fees $**	**Other benefits $**	**Superannuation $**	**Total $**
30 September 2015				
Number of Directors - 6	40,917	14,002	6,156	61,075
30 September 2014				
Number of Directors - 8	17,750	13,066	1,656	32,472

12. CONTINGENT LIABILITIES AND CAPITAL EXPENDITURE

There are no contingent liabilities for the Company for both financial years ended 30 September 2014 and 30 September 2015.

The Company did not have any contracted capital expenditure commitments for the acquisition of property, plant and equipment for both financial years 30 September 2014 and 30 September 2015.

13. GUARANTEES

The Company has not guaranteed any debt to any third party.

14. RELATED PARTIES

There have been no related party transactions other than those disclosed in Note 11.

15. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

At the date of this financial report the following accounting standards, which may impact the Company in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018
AASB 15	*Revenue from Contracts with Customers*	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1 January 2017

The Company has decided against early adoption of these standards and interpretations. Furthermore, these changes in standards and interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

16. DIVIDENDS

The Company paid a dividend of $302,536, which was unfranked, and was paid on 27 March 2015.

17. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 September 2015 that has significantly affected or may significantly affect:

a) the Company's operations in future years;
b) the results of those operations in future financial years; or
c) the Company's state of affairs in future years.

18. CONTINGENCIES

There were no contingent liabilities or assets as at reporting date.

19. COMPANY DETAILS

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

26 Winthrop Drive
WINTHROP WA 6150