

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022



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FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Your directors present their report together with the financial statements on the Council of Grain Grower Organisations Limited (the Company) for the year ended 30 September 2022.

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

Rhys Turton - Chairman (Non-Executive Director)

Rhys Turton farms in York where the family grow a range of broad acre crops, hay and run sheep for meat and wool. Between 1991 and 2010, he also owned and farmed cropping properties at Koorda in the WA Central Wheat belt. Rhys is currently on the board of Grain Growers Limited and is President of The Western Australian Farmers Federation. Prior to these appointments, he was a non-executive director of Ravensdown Fertiliser Co-operative in New Zealand for 7 years and was a Councillor on the Co-operative Federation of Western Australia. Rhys is a graduate member of the Australian Institute of Company Directors.

William Alfred Carmody – Deputy Chairman (Non-Executive Director)

Will started farming at Cascade with his family in 1977, clearing virgin bushland and developing the farm "Maryland Too". He currently farms this property, which produces canola, wheat and barley with his wife Margaret. Will has a keen interest in precision agriculture and was a member of the first WA Precision Ag steering committee. He has also completed the RABO Bank Executive Development Program. Will is the Captain of the Cascade Bushfire Brigade and a senior control officer for the Esperance Shire West Zone. He has served as President on local community recreation and sporting groups and Chairperson on school council for Cascade Primary School over several years.

Barry Large (Non-Executive Director)

Barry Large farms at Round Hill, Miling on a property known as "Moorlands". He has been farming for 27 years, growing hay, cereals, lupins and oilseeds. Mr Large has also acted as the vice Chairman of PGA Western Grain Growers for in the past and has been involved in Biosecurity Issues in WA for the past 13 years. He is presently on the Grain Guard committee and chairs the Grain /Seed/ Hay Industry Management Committee. Mr Large is also one of the founding directors in the establishment of Grain Producers Australia.

Gareth Rowe – (Non-Executive Director).

Having gained an Agricultural Farm Management Degree from Reading University in the UK, Gareth started his career working for a large farm cooperative as a farm advisor. His interest in farm business management led to a job working for Grant Thornton the accountants. Leaving secure employment, he started his own businesses and through the 1990s had a number of different interests including an agricultural software house, consultancy, a construction/property development company and ultimately farm business interests (dairy cattle, outdoor breeding pigs and cropping). Always the aim one day to be a full-time farmer. In 2001, he purchased Georgina Farm on the outskirts of Geraldton. Over the next two decades, he developed the farm business in WA with Lucy his wife and family moving permanently to Australia in 2007. Gareth has served on the Grower Advisory Council of CBH, is currently Chair of the Board of Geraldton Grammar School and is a Graduate member of the Australian Institute of Company Directors and is now a Director of CBH, he was appointed as a non-Executive director on the 26 February 2021.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Chris Wilkins – (Non-Executive Director)

Chris Wilkins has a degree in Agricultural Science and a Graduate Diploma in Business Administration. Chris has been operating his own consulting business for 25 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, a past member of GRDC's Western Panel, and a past Committee Member of the Australian Association of Agricultural Consultants (WA). These positions have required Chris to provide strategic advice and direction for those organisations.

COMPANY SECRETARY

Dean McKenzie (appointed on 1 April 2022)

Dean McKenzie is a Chartered Secretary and a Chartered Accountant. Dean is the principal of Prospicio Group, a professional services firm which has been operating for more than 15 years. His career has included working in both the profession and industry, and he has accumulated over 30 years of company secretarial and accounting experience in a variety of entities operating in a broad range of industries. Dean is a member of the Governance Institute of Australia ('GIA').

Hugh Lennerts (retired on 30 June 2022)

Hugh Lennerts is a Fellow of the Institute of Chartered Secretaries and a Fellow of the Australian Society of Certified Practising Accountants and is the principal partner of H & AM Lennerts Management and Company Secretarial Consultants. He has 50 years of accounting and company secretarial experience in a wide variety of "for profit" and "not for profit" entities. His practice is the registered office of the Company.

OBJECTIVES

The Company's objectives are the provision of financial assistance to research providers in relation to crop improvement and the funding of general research and development (R&D) as it applies to the Grains Industry in Western Australian (WA).

STRATEGY FOR ACHIEVING THE OBJECTIVES

The Company achieves its objectives by funding investment in R&D for the benefit of grain growers in WA.

PRINCIPAL 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.

DIVIDENDS

Dividends paid during the financial year 2022 were \$301,534 (2021: \$241,285)

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

PERFORMANCE MEASURES

The Company's measures its performance based on the total value of R&D funded. At the 30th September 2022, Board Meeting the Directors agreed to fund a further \$578,471 of R&D in 2022 in 5 separate new projects. This makes the total of R&D funded, since the Company was refocused in 2012, to over \$4,830,000. The Company has a website, which shows the details and the results of the projects it has funded, which is accessible on coggo.net.au.

OPERATING RESULTS

The profit after income tax expense for the year ended 30 September 2022 was \$717,522 (2021: \$288,217).

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
R Turton	3	3
W Carmody	3	2
B Large	3	2
G Rowe	3	2
C Wilkins	3	3

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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year ended 30 September 2022.

SIGNIFICANT EVENTS AFTER REPORTING DATE

No matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

CONTRIBUTIONS ON WINDING UP

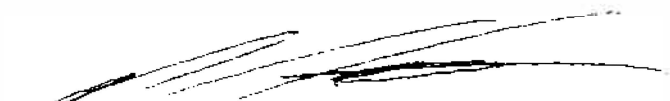
In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$10 each.

The total amount that members of the Company are liable to contribute if the company is wound up is \$2,620, based on 262 current ordinary members.

AUDITORS' INDEPENDENCE DECLARATION

The Auditors' Independence Declaration as required by section 307C of the Corporations Act 2001 is included within these financial statements.

Signed in accordance with a resolution of the Directors pursuant to section 298(2)(a) of the Corporations Act 2001



**R Turton
DIRECTOR**



**W Carmody
DIRECTOR**

PERTH, 27 January 2023

RSM Australia Partners

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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 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 January 2023

RSM Australia Partners

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

Opinion

We have audited the financial report of Council of Grain Grower Organisations Limited (**the Company**), which comprises the statement of financial position as at 30 September 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards- *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 September 2022, but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

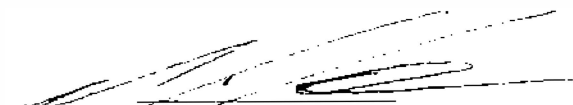
Perth, WA
Dated: 31 January 2023

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, the Corporations Regulations 2001, Australian Accounting Standards- Simplified Disclosures and other mandatory professional reporting requirements;
2. the financial statements and notes give a true and fair view of the Company's financial position as at 30 September 2022 and of its performance for the year ended on that date; and
3. 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 pursuant to section 295(5)(a) of the Corporations Act 2001



**RT uron
DIRECTOR**



**W Carmody
DIRECTOR**

PERTH, 27 January 2023

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	\$	\$
Note		
Revenue		
Grower voluntary levies	1,009,686	615,410
Research and development tax offset rebate	185,682	198,636
Finance income (interest and royalties)	20,925	35,909
	<u>1,216,293</u>	<u>849,955</u>
Expenses		
Director's benefits expense	(11,744)	(10,813)
Audit and accountancy expense	(35,000)	(34,200)
Consultancy expense	(102,300)	(102,300)
Insurance expense	(4,944)	(4,725)
Research and development expense	(307,829)	(375,841)
Telecommunications expense	(894)	(660)
Travelling expenses	(8,614)	(6,568)
Other expenses	(23,619)	(23,073)
	<u>721,349</u>	<u>291,775</u>
Profit before income tax expense	721,349	291,775
	<u>(3,827)</u>	<u>(3,558)</u>
Income tax expense	5	(3,558)
Profit after income tax expense for the year attributable to members of the Council of Grain Growers Organisation Limited	717,522	288,217
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to members of the Council of Grain Growers Organisation Limited	717,522	288,217

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 \$	Restated 2021 ⁽¹⁾ \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,064,586	619,143
Other financial assets	7	1,800,000	1,800,000
Trade and other receivables	8	14,313	9,133
Other assets	9	181,488	202,235
TOTAL CURRENT ASSETS		<u>3,060,387</u>	<u>2,630,511</u>
NON-CURRENT ASSETS			
Deferred tax asset	5	15,000	9,300
TOTAL NON-CURRENT ASSETS		<u>15,000</u>	<u>9,300</u>
TOTAL ASSETS		<u>3,075,387</u>	<u>2,639,811</u>
CURRENT LIABILITIES			
Trade and other payables	10	138,470	119,463
TOTAL CURRENT LIABILITIES		<u>138,470</u>	<u>119,463</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	5	3,435	2,854
TOTAL NON-CURRENT LIABILITIES		<u>3,435</u>	<u>2,854</u>
TOTAL LIABILITIES		<u>141,905</u>	<u>122,317</u>
NET ASSETS		<u>2,933,482</u>	<u>2,517,494</u>
EQUITY			
Retained earnings		<u>2,933,482</u>	<u>2,517,494</u>
TOTAL EQUITY		<u>2,933,482</u>	<u>2,517,494</u>

⁽¹⁾ Refer note 2(m)

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	<u>Note</u>	Retained earnings \$	Total \$
Balance at 1 October 2020		2,470,562	2,470,562
Profit after income tax benefit for the year		288,217	288,217
Total comprehensive income for the year		<u>288,217</u>	<u>288,217</u>
Dividend paid during the year	15	<u>(241,285)</u>	<u>(241,285)</u>
Balance at 30 September 2021		<u>2,517,494</u>	<u>2,517,494</u>
Balance at 1 October 2021		2,517,494	2,517,494
Profit after income tax benefit for the year		717,522	717,522
Total comprehensive income for the year		<u>717,522</u>	<u>717,522</u>
Dividend paid during the year	15	<u>(301,534)</u>	<u>(301,534)</u>
Balance at 30 September 2022		<u>2,933,482</u>	<u>2,933,482</u>

The accompanying notes form part of the financial statement

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	Restated
	\$	2021⁽¹⁾
Note		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
	1,005,045	629,816
	(138,727)	(189,233)
	10,371	21,234
	10,015	14,675
	197,723	241,929
	(307,829)	(375,841)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4 <u>776,598</u>	<u>342,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	400,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>400,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	(331,155)	(223,446)
NET CASH USED IN FINANCING ACTIVITIES	<u>(331,155)</u>	<u>(223,446)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	445,443	519,134
Cash and cash equivalents at the beginning of the financial year	619,143	100,009
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6 <u>1,064,586</u>	<u>619,143</u>

⁽¹⁾ Refer note 2(m)

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 2022**

1. CORPORATE INFORMATION

These financial statements and notes represent those of the 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 2022, the number of members was 262. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The financial statements were authorised for issue on 27 January 2023 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- Simplified Disclosures (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Accounting Standards or Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current annual reporting period.

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

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Significant accounting judgements, estimates and assumptions

The directors evaluate judgements, 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. Information about significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below.

R&D tax rebate

Significant judgement is required in determining the R&D tax rebate receivable. There are many processes undertaken in determining the claim and satisfying the statutory eligibility requirements for which the ultimate outcome is uncertain. The Company recognises a R&D tax rebate when a reliable estimate of the receivable can be determined in consultation with its independent R&D tax advisors. Where the outcome of the R&D tax rebate claim is different from the carrying amounts, such differences will impact the statement of profit or loss and other comprehensive income.

(c) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

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.

(iv) Research and development tax rebate

Research and development (R&D) tax rebates are made by management, utilising the Company's specialist R&D tax advisers. The process includes interviews, documentation and assessment of the various activities undertaken by the Company to determine if the activities meet the statutory eligibility requirements for an R&D rebate claim. The R&D tax rebate is recognised when a reliable estimate of the amount's receivable can be made and accrues the amount as either income in the statement of profit or loss and other comprehensive income.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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.

(e) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit loss.

(f) 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.

(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) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

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 assets and liabilities 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 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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income Tax (Continued)

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.

(i) Goods and services tax

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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Comparative figures

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 September 2022.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Restatement of comparative balance

During the year ending 30 September 2022, it was determined that three term deposit accounts had been disclosed as cash and cash equivalents, however they did not meet the definition of cash and cash equivalents as per the accounting policy. As a result, they have been reclassified as other financial assets. This has resulted in adjustments to the statement of financial position and statement of cash flows in the comparative period. Each line that was impacted in the previous financial report is shown below:

	1 October 2020 Reported \$	Adjustments (a) \$	1 October 2020 Restated \$
<u>Statement of Financial Position (extract)</u>			
CURRENT ASSETS			
Cash and cash equivalents	2,300,009	(2,200,000)	100,009
Financial assets	-	2,200,000	2,200,000
TOTAL CURRENT ASSETS	2,300,009	-	2,300,009
TOTAL ASSETS	2,300,009	-	2,300,009

	30 September 2021 Reported \$	Adjustments (a) \$	30 September 2021 Restated \$
<u>Statement of Financial Position (extract)</u>			
CURRENT ASSETS			
Cash and cash equivalents	2,419,143	(1,800,000)	619,143
Other financial assets	-	1,800,000	1,800,000
TOTAL CURRENT ASSETS	2,630,511	-	2,630,511
TOTAL ASSETS	2,639,811	-	2,639,811

Statement of Cash Flows (extract)

CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from term deposits	-	400,000	400,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	400,000	400,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	519,134	-	519,134
Cash and cash equivalents at the beginning of the financial year	2,300,009	(2,200,000)	100,009
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	2,419,143	(1,800,000)	619,143

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

The Company is not exposed to any significant credit risk.

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.

All remaining contractual financial liabilities as disclosed in note 8 mature in 1 year or less, unless otherwise stated all the carrying amounts of financial instruments reflect their fair value.

4. RECONCILIATION OF NET PROFIT AFTER INCOME TAX EXPENSE TO NET CASH FROM OPERATING ACTIVITIES

	2022 \$	2021 \$
Net profit after income tax expense	717,522	288,257
Changes in operating assets and liabilities		
- Trade and other receivables	7,950	14,406
- Other assets	20,747	44,070
- Trade and other payables (excluding dividend payable)	35,498	(6,697)
- Deferred taxes	(5,119)	2,544
	<u>59,076</u>	<u>54,323</u>
Net cash from operating activities	<u><u>776,598</u></u>	<u><u>342,580</u></u>

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	\$	\$
5. INCOME TAX		
The major components of income tax expense are:		
Income Statement		
<i>Current income tax</i>		
Current income tax	8,946	913
Adjustments in respect of current income tax of previous years	-	101
<i>Deferred income tax</i>		
Relating to the origination and reversal of temporary differences	(5,119)	3,361
Adjustment in respect of current income tax of previous years	-	(817)
Income tax expense reported in the income statement	<u>3,827</u>	<u>3,558</u>
A reconciliation between income tax expense and the product of accounting profit / (loss) before income tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting profit before income tax expense and refundable research and development tax offset	535,667	93,139
At the Company's statutory income tax rate of 30% (2022: 30%)	160,700	27,942
Adjustments in respect of current income tax		
Net non-assessable mutual income	(271,728)	(160,658)
Research & development expenditure	114,855	136,990
Adjustment in respect of current income tax of previous years	-	101
Adjustment in respect of change in tax rate	-	(817)
Income tax expense reported in the income statement	<u>3,827</u>	<u>3,558</u>
Deferred tax liabilities		
Accrued income	2,009	1,500
Prepayments	1,426	1,354
	<u>3,435</u>	<u>2,854</u>

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. INCOME TAX (Continued)

	2022 \$	2021 \$
Deferred tax assets		
Accrued expenses	15,000	9,300
	<u>15,000</u>	<u>9,300</u>
Income tax refund due (refer to Note 7)	<u>176,736</u>	<u>197,723</u>

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 Company has no Australian carry forward tax losses as at 30 September 2022.

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 2022

	2022	Restated 2021⁽¹⁾
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	1,064,586	619,143
	<u>1,064,586</u>	<u>619,143</u>

	2022	Restated 2021⁽¹⁾
	\$	\$
7. FINANCIAL ASSETS		
Term deposits	1,800,000	1,800,000
	<u>1,800,000</u>	<u>1,800,000</u>

	2022	2021
	\$	\$
8. TRADE AND OTHER RECEIVABLES		
Accounts receivable	-	1,159
Accrued income	14,313	7,974
	<u>14,313</u>	<u>9,133</u>

Impairment of receivables

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

	2022	2021
	\$	\$
9. OTHER ASSETS		
Prepayments	4,752	4,512
Amounts due from the Australian Taxation Office (ATO)	176,736	197,723
	<u>181,488</u>	<u>202,235</u>

Included in the amounts due from the ATO, research and development (R&D) tax rebate receivable represents refundable tax offsets from the ATO in relation to expenditure incurred in the current year for eligible research and development activities. R&D activities are refundable at a rate of 48.5% for each dollar spent, subject to meeting certain eligibility criteria. Funds are expected to be received subsequent to the lodgement of the income tax return and research and development tax incentive schedule for the current financial year.

	2022	2021
	\$	\$
10. TRADE AND OTHER PAYABLES		
Other creditors and accruals	130,292	81,665
Dividend payable or unclaimed	8,178	37,798
	<u>138,470</u>	<u>119,463</u>

(1) Refer note 2(m)

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company.

Audit services - RSM Australia Partners

Audit of the financial statements	14,300	13,000
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12. KEY MANAGEMENT PERSONNEL DISCLOSURE

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

	Short term employee benefits		Post-employment benefits	Total
	Salary & fees	Other benefits (Travel)	Superannuation	
	\$	\$	\$	\$
30 September 2022	10,650	8,614	1,094	20,358
30 September 2021	9,850	6,568	963	17,381

13. CONTINGENT LIABILITIES AND CAPITAL EXPENDITURE

There are no contingent liabilities for the Company for both financial years ended 30 September 2022 and 30 September 2021.

The Company did not have any contracted capital expenditure commitments for both financial years ended 30 September 2022 and 30 September 2021.

14. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in Note 12.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

15. DIVIDENDS

The Company declared a dividend of \$300,000, which was unfranked. Any dividend balances unable to be paid to members as at 30 September 2022 are recognised as a current liability.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

17. COMPANY DETAILS

The registered office and principal place of business of the Company is:
Level 3, 1060 Hay Street
WEST PERTH WA 6005