

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**



**COGGO**

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**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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## **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 2013 and the state of affairs of the Consolidated Entity as at that date.

### **DIRECTORS**

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

#### **Names, qualifications, experience and special responsibilities**

##### **Bruce Piper MAICD - Chairman (Non-Executive)**

Bruce Piper until recently grew cereals, pulses and oilseeds on his Bindi Bindi farm, 'Woolandoon'. Other than his 46 years of farming experience, Mr Piper has been active with the WA Farmers' Federation, has sat on numerous sub-committees and chaired several meetings discussing the findings of the Department of Agriculture's wheat breeding program. He was the Senior Vice-President, of the Grain, Legume, Oilseed and Seed (GLOSS) Council, WA Farmers' Federation. He was the President of COGGO (Inc) and inaugural Chairman of COGGO Limited. Mr Piper has recently retired as the Chairman of the Institute of Agriculture of The University of Western Australian External Advisory Board.

Special Responsibilities – Mr Piper is the Chairman of Grain Biotech Australia Pty Ltd.

##### **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 13 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 member of the Grains Committee of the Pastoralists and Graziers Association (PGA) 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.

Special Responsibilities – Mr Wilkins is Deputy Chairman of the Board.

##### **Gerard Paganoni BSc (Non-Executive Director)**

Gerard Paganoni has a degree in Science in Population Resources and Technology from Murdoch University. He has been farming for 21 years, at "East Broomehill", where he currently crops wheat, barley, canola, and also produces sheep and cattle. Mr Paganoni was the Chief Bush Fire Control officer for two years, and the Broomehill Recreation Complex Secretary for four years. He is currently a committee member of the WA Soft Wheat Growers Association and Broomehill School Council. Mr Paganoni also maintains an interest in harness and thoroughbred breeding, racing and training.

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

### **Barry Large (Non-Executive Director)**

Barry Large farms at Round Hill, Miling on a property known as "Moorlands". He has been farming for 21 years, growing hay, cereals, lupins and oilseeds. Mr Large has also acted as the vice Chairman of PGA Western Grain Growers for the past 4 years and has been involved in Biosecurity Issues in WA for the past 9 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.

### **Ian Bruce Thomas (Non-Executive Director)**

Ian Thomas has 57 years of farming experience and operates his own grain and sheep enterprise in Mingenew. He is a Mingenew-Irwin Group management committee member and has been the president of their R+D Committee for five years. He is the WA Farmers Mingenew Branch President and is the representative for their North Midland Wheat Zone on the Grains Council, a position he has held for 13 years. He is involved in many sporting and community groups within the Mingenew area.

### **Steven John Tilbrook (Non-Executive Director)**

Mr Tilbrook and his family own "Ronland" farming property at Mt Madden. Mr Tilbrook has been a Director of many companies and currently Steven is a Director of Amaroo Care Service Inc. He is the Chairman of the GIWA Barley Council, and has 18 years' experience as executive member of SEPWA. Steven spent 9 years as a Grower Director of the CBH Group. 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.

## **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**

The Company continues to operate from the offices of its Chartered Secretary, Hugh Lennerts. The registered office and principal place of business remains at 26 Winthrop Drive in Winthrop WA 6150.

## **OPERATING RESULTS**

The Consolidated Profit for the year ended 30 September 2013 was \$610,670 (2012: Consolidated profit of \$1,600,614).

**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:

	<b>Directors' Meetings</b>	
	Number eligible to attend	Number Attended
B Piper	6	6
G Paganoni	6	6
B Large	6	3
C Wilkins	6	5
I Thomas	6	6
S Tilbrook	6	6

**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)**

**SIGNIFICANT EVENTS AFTER BALANCE DATE**

There have been no significant events since balance 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.

  
\_\_\_\_\_  
**B.L. Piper**  
**DIRECTOR**

  
\_\_\_\_\_  
**C. Wilkins**  
**DIRECTOR**

**PERTH, 20 December 2013.**

**RSM Bird Cameron 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 2013, 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 Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 20 December 2013

**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 consolidated statement of financial position as at 30 September 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*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 consolidated entity's financial position as at 30 September 2013 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 Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 20 December 2013


**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 Consolidated Entity's financial position as at 30 September 2013 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.

  
\_\_\_\_\_  
**B.L. Piper**  
**DIRECTOR**

  
\_\_\_\_\_  
**C. Wilkins**  
**DIRECTOR**

**PERTH, 20 December 2013.**

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

		<b>Group</b>	
		<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
	<b>Note</b>		
Grower voluntary levies		835,309	688,625
Rendering of services		-	31,433
Finance revenue (interest and royalties)		243,954	469,447
Gain on disposal of investments		-	996,083
		<hr/> 1,079,263	<hr/> 2,185,588
Employee benefits expense		(23,696)	(319,384)
Audit and accountancy costs		(48,180)	(30,000)
Conferences		(4,166)	(45)
Consultancy expense		(85,190)	(105,801)
Depreciation expense		-	(3,121)
Insurance		(5,068)	(18,906)
Promotion and communications expense		(1,800)	(36,108)
Rent		-	(21,151)
Research and development costs		(257,503)	(69,248)
Statutory charges		(1,060)	(269)
Telecommunications expense		(634)	(6,429)
Travelling expenses		(19,636)	(23,980)
Impairment of goodwill		(48,271)	-
Other expenses		(42,042)	(55,520)
Loss on disposal of plant and equipment		-	(18,017)
		<hr/> 542,017	<hr/> 1,477,609
<b>Profit before Income Tax</b>			
Income tax benefit	5	68,653	123,005
		<hr/> 610,670	<hr/> 1,600,614
<b>Net profit /(loss) for the year</b>			
Other comprehensive income for the year		-	-
		<hr/> 610,670	<hr/> 1,600,614
<b>Total comprehensive income/(loss) for the year</b>			

The accompanying notes form part of the financial statements.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

		Group	
	Note	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash	4(a)	1,500,906	1,238,564
Trade and other receivables	6	57,647	53,368
Other financial assets	7	60,000	59,823
Other assets	8(a)	76,601	8,344
<b>TOTAL CURRENT ASSETS</b>		<u>1,695,154</u>	<u>1,360,099</u>
<b>NON CURRENT ASSETS</b>			
Intangible asset	9	139,105	187,376
Other assets	8(b)	-	50
<b>TOTAL NON CURRENT ASSETS</b>		<u>139,105</u>	<u>187,426</u>
<b>TOTAL ASSETS</b>		<u>1,834,259</u>	<u>1,547,525</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	91,069	72,630
Provisions		-	340,827
<b>TOTAL CURRENT LIABILITIES</b>		<u>91,069</u>	<u>413,457</u>
<b>TOTAL LIABILITIES</b>		<u>91,069</u>	<u>413,457</u>
<b>NET ASSETS</b>		<u>1,743,190</u>	<u>1,134,068</u>
<b>EQUITY</b>			
Retained earnings		<u>1,743,190</u>	<u>1,134,068</u>
<b>TOTAL EQUITY</b>		<u>1,743,190</u>	<u>1,134,068</u>

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 2013**

Group	Retained earnings \$	Total \$
<b>Balance at 1 October 2011</b>	2,874,281	2,874,281
Loss for the year	1,600,614	1,600,614
Total comprehensive Income for the year	<u>1,600,614</u>	<u>1,600,614</u>
Dividend recognised during the year	<u>(3,340,827)</u>	<u>(3,340,827)</u>
<b>Balance at 30 September 2012</b>	<u>1,134,068</u>	<u>1,134,068</u>
<b>Balance at 1 October 2012</b>	<b>1,134,068</b>	<b>1,134,068</b>
Profit for the year	610,670	610,670
Total comprehensive income for the year	<u>610,670</u>	<u>610,670</u>
Dividend recognised during the year	<u>(1,548)</u>	<u>(1,548)</u>
<b>Balance at 30 September 2013</b>	<u><b>1,743,190</b></u>	<u><b>1,743,190</b></u>

The accompanying notes form part of the financial statements.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

		Group	
	2013	2012	
	\$	\$	
Note			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from growers voluntary levies	835,309	681,974	
Receipts from seed sales, fees and commissions	-	31,433	
Payments to suppliers and employees	(205,498)	(663,725)	
Royalties received	176,681	344,885	
Interest received	65,337	117,294	
Income tax benefit/(paid)	(9,432)	187,871	
Payments for research grants	(257,503)	(69,248)	
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4(b) 604,894</b>	<b>630,484</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment	-	32,345	
Proceeds from sale of investments	-	1,200,000	
Transfer from/(to) commercial bills-investment account	(177)	1,449,029	
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(177)</b>	<b>2,681,374</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	-	(17,652)	
Dividends paid	(342,375)	(3,000,000)	
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(342,375)</b>	<b>(3,017,652)</b>	
<b>NET INCREASE IN CASH HELD</b>	<b>262,342</b>	<b>294,206</b>	
Cash at the beginning of the Financial Year	1,238,564	944,358	
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>4(a) 1,500,906</b>	<b>1,238,564</b>	

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 2013**

**1. CORPORATE INFORMATION**

These consolidated financial statements and notes represent those of Council of Grain Grower Organisations Limited (the "Company") and Controlled Entities (the "Consolidated Entity" or "Group"). The separate financial statements of the parent entity, Council of Grain Grower Organisations Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

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 2013, the number of members was 483.

The financial statements were authorised for issue on 20 December 2013 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 Group is for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the 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 Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (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 Consolidated Entity's accounting policies.

**(b) Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Council of Grain Grower Organisations Limited at the end of the reporting period. A controlled entity is any entity over which Council of Grain Grower Organisations Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Principles of Consolidation (Cont'd)**

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

**Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held by the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquiree, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.



**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Principles of Consolidation (Cont'd)**

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is re-measured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

**(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 Group 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 are 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 Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity 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 group.

*(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 group.

**(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.

**(j) 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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**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.

**Tax Consolidation**

Council of Grain Grower Organisations Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated Group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities, except for any deferred tax liabilities resulting from unused tax losses, tax credits and tax rebates, which are immediately assumed by Council of Grain Grower Organisations Limited. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 26 February 2004. The tax consolidated group has entered a tax-funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income.

*(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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 Group'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.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group'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 Group 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 Group's primary or the Group'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 Group 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 Group 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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
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**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 entity 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 consolidated entity 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 2013**

**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 Group'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 Group 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 Group 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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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**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 entity 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 Group 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 Group 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.

**(n) Significant Accounting Judgements, Estimates and Assumptions**

The directors evaluate estimates and judgments 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 Group.

*Key Estimates — Impairment of Goodwill*

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

An impairment of \$48,271 has been recognised in respect of goodwill for the year ended 30 September 2013 (2012 : nil).

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise receivables, payables, cash, and bank bills. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	GROUP	
		2013	2012
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	4(a)	1,500,906	1,238,564
Trade and other receivables	6	57,647	53,368
Bills of exchange	7	60,000	59,823
Deposits	8(b)	-	50
<b>Total Financial Assets</b>		<u>1,618,553</u>	<u>1,351,805</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	10	91,069	72,630
<b>Total Financial Liabilities</b>		<u>91,069</u>	<u>72,630</u>

The Group manages its exposure to key financial risks, including interest rate and credit risk, with the objective of providing support to delivery of the Group's financial targets whilst protecting future financial security. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The Group 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 Group'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.

	Carrying amount	-1% change		+1% change	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
<b>2013</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	1,500,906	(10,506)	(10,506)	10,506	10,506
Total Increase/(Decrease)		<u>(10,506)</u>	<u>(10,506)</u>	<u>10,506</u>	<u>10,506</u>
<b>2012</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	1,238,564	(8,670)	(8,670)	8,670	8,670
Total Increase/(Decrease)		<u>(8,670)</u>	<u>(8,670)</u>	<u>8,670</u>	<u>8,670</u>



**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

(b) **Credit risk**

Credit risk arises from the financial assets of the Group, comprising of cash and cash equivalents and trade and other receivables. The Group'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 Group'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 Group's exposure to material bad debts is not significant.

	Weighted Average Effective Interest Rate	Interest rate exposure			Past due but not impaired			Impaired financial assets
		Carrying Amount	Variable interest rate	Non- interest bearing	Within 1 year	1 to 5 years	Over 5 years	
	%	\$	\$	\$	\$	\$	\$	
<b>Financial Assets</b>								
<b>2013</b>								
Cash and cash equivalents	3.05	1,500,906	1,500,906	-	-	-	-	
Bills of exchange	3.59	60,000	60,000	-	-	-	-	
Trade and other receivables		57,647	-	57,647	57,647	-	-	
		<u>1,618,553</u>	<u>1,560,906</u>	<u>57,647</u>	<u>57,647</u>	<u>-</u>	<u>-</u>	
<b>2012</b>								
Cash and cash equivalents	2.92	1,238,564	1,238,564	-	-	-	-	
Bills of exchange	4.80	59,823	59,823	-	-	-	-	
Trade and other receivables		53,368	-	53,368	15,668	-	-	
Other assets		50	-	50	-	-	-	
		<u>1,351,805</u>	<u>1,298,387</u>	<u>53,418</u>	<u>15,668</u>	<u>-</u>	<u>-</u>	

(c) **Liquidity risk**

The Group'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 of Directors. The Group 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**  
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**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

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

<u>Financial liability</u>	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>			<u>Maturity date</u>		
		Carrying Amount \$	Fixed interest rate \$	Non- interest bearing \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
<b>2013</b>							
Trade and other payables	-	91,069	-	91,069	91,069	-	-
		91,069	-	91,069	91,069	-	-
<b>2012</b>							
Trade and other payables	-	72,630	-	72,630	72,630	-	-
		72,630	-	72,630	72,630	-	-

**(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 Group. 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 Group.

	2013		2012	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
<i>Financial Assets</i>				
Cash and cash equivalent	1,500,906	1,500,906	1,238,564	1,238,564
Bills of exchange	60,000	60,000	59,823	59,823
Trade and other receivables	57,647	57,647	53,368	53,368
Other Assets	-	-	50	50
	1,618,553	1,618,553	1,351,805	1,351,805
<i>Financial Liabilities</i>				
Trade and other payables	91,069	91,069	72,630	72,630
	91,069	91,069	72,630	72,630

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 2013**

**3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**(e) Capital Management Policy**

Management and the Board monitor the Group'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**

	<b>GROUP</b>	
	2013	2012
	\$	\$
(a) Reconciliation of cash		
Cash balance comprise:		
- cash at bank and on hand	1,500,906	1,238,564
(b) Reconciliation of net profit		
to the net cash flows from operations:		
Net profit after tax	610,670	1,600,614
Non-Cash Flows		
- Depreciation of plant and equipment	-	3,121
- (Gain) on sale of investments	-	(987,279)
- Loss / (Gain) on disposal of assets	-	18,017
- Goodwill impairment losses	48,271	-
	48,271	(966,141)
Changes in operating assets and liabilities		
- Trade and other receivables	(72,669)	(13,919)
- Other assets	183	74,983
- Provisions	-	(33,282)
- Trade and other payables	18,439	(31,771)
	54,046	(3,989)
Net cash flow from operating activities	604,894	630,484

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
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	<b>GROUP</b>	
	2013	2012
	\$	\$
<b>5. INCOME TAX</b>		
The major components of income tax expense are:		
<b>Income Statement</b>		
<i>Current income tax</i>		
Current income tax charge	(70,732)	4,144
Adjustments in respect of current income tax of previous years	-	(123,449)
<i>Deferred income tax</i>		
Relating to the origination and reversal of temporary differences	2,079	(3,700)
Income tax benefit reported in the income statement	<u>68,653</u>	<u>(123,005)</u>
A reconciliation between income tax benefit and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit / (loss) before income tax	542,017	1,477,609
At the Group's statutory income tax rate of 30%	162,605	443,283
Adjustments in respect of current income tax of previous years	-	(123,449)
Net non assessable mutual income	(198,265)	(134,076)
Research & development expenditure	91,862	19,445
Research & development concession	(137,793)	(29,167)
Loan forgiveness	(1,542)	-
Amortisation of Goodwill	14,480	-
Disposal of investment	-	(296,176)
DTA adjustment from previous years	-	(4,310)
Other	-	1,445
	<u>(68,653)</u>	<u>(123,005)</u>
<b>Deferred income tax</b>		
<b>Deferred tax liabilities</b>		
Accrued Income	-	510
Prepayments	157	-
	<u>157</u>	<u>510</u>

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. INCOME TAX (Continued)**

	<b>GROUP</b>	
	2013	2012
	\$	\$
<b>Deferred tax assets</b>		
Provisions	1,777	4,209
	<u>1,777</u>	<u>4,209</u>
Deferred tax assets not being recognised at reporting date as realisation of the benefit is not regarded as probable – Temporary Differences	309,102	309,102
Income tax (payable) / refund due – current	<u>(70,732)</u>	<u>(4,144)</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 consolidated entity 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 Group has no Australian carry forward tax losses.

**Tax Consolidation**

Effective 26 February 2004, for the purposes of income taxation, 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.

The Council of Grain Grower Organisations Limited formally notified the Australian Taxation Office of its adoption of the tax consolidation regime when it lodged its 30 June 2004 consolidated tax return.

On 24 December 2007 Grain Biotech Australia Pty Ltd became 100% owned by Council of Grain Grower Organisation Limited and entered the tax consolidated group.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	<b>GROUP</b>	
	2013	2012
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Accounts receivable (i)	50,769	31,259
Accrued income	4,535	22,109
Dividend Clearing Account	2,343	-
	<u>57,647</u>	<u>53,368</u>

**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:

	<b>Total</b>	<b>0 - 30 days</b>	<b>31 - 60 days</b>	<b>61 - 90 days</b>	<b>+91 days</b>
	\$	\$	\$	\$	\$
<b>2013</b>					
Group	50,769	26,695	-	-	24,074
<b>2012</b>					
Group	31,259	15,591	-	-	15,668

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

	<b>GROUP</b>	
	2013	2012
	\$	\$
<b>7. OTHER FINANCIAL ASSETS</b>		
Bills of Exchange – Commonwealth Bank of Australia	<u>60,000</u>	<u>59,823</u>

Bills of Exchange are made for varying periods of between 28 days to 32 days, and earn interest at 2.57% (2012: 3.59%).

**8. OTHER ASSETS**

(a) Current

Prepayments	4,249	4,644
Deferred tax asset	1,936	3,700
Income tax refund due	70,416	-
	<u>76,601</u>	<u>8,344</u>

(b) Non-Current

Deposits paid (i)	<u>-</u>	<u>50</u>
	<u>-</u>	<u>50</u>

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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9. INTANGIBLE ASSETS - GOODWILL	GROUP	
	2013 \$	2012 \$
Cost	187,376	187,376
Accumulated impairment losses	(48,271)	-
Net carrying amount	<u>139,105</u>	<u>187,376</u>
Balance at the beginning of the year	187,376	187,376
Impairment losses	(48,271)	-
Closing value at 30 September 2013	<u>139,105</u>	<u>187,376</u>

The recoverable amount of the balance of goodwill has 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 has 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 recognized 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 (Western Australia). Discount rates are pre-tax and are adjusted to incorporate risks associated with the entity.

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

**10. TRADE AND OTHER PAYABLES**

Trade creditors (i)	42,014	-
Other creditors and accruals	54,134	57,065
GST payable	(1,986)	11,421
Income tax payable	(5,289)	4,144
Superannuation Payable	1,646	-
PAYG tax payable	550	-
	<u>91,069</u>	<u>72,630</u>

**(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.

**11. REMUNERATION OF AUDITORS**

Amounts received or due and receivable by RSM Bird Cameron Partners for:

Auditing the financial statements	18,000	15,000
	<u>18,000</u>	<u>15,000</u>

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**12. KEY MANAGEMENT PERSONNEL DISCLOSURE**

**(a) Details of Key Management Personnel**

*(i) Directors*

Bruce Leslie Piper	Chairman ( non-executive)
Gerard Damian Paganoni	Director (non-executive)
Barry Large	Director (non-executive)
Chris Wilkins	Director (non-executive)
Ian Bruce Thomas	Director (non-executive)
Steven John Tilbrook	Director (non-executive)

There were no changes to the key management personnel (KMP) 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.

Directors	Short term employee benefits			Total \$
	Salary & fees \$	Other benefits \$	Superannuation \$	
<b>30 September 2013</b>				
Number of Directors - 6	21,700	16,703	1,960	40,363
<b>30 September 2012</b>				
Number of Directors - 9	14,800	15,445	2,272	32,517

Other KMP	Salary & fees \$	Cash bonus \$	Superannuation \$	Total \$
	<b>30 September 2013</b>			
Other KMP - 0	-	-	-	-
<b>30 September 2012</b>				
Other KMP - 1	216,995	-	16,944	233,939



**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED  
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**13. PARENT ENTITY DISCLOSURES**

**(a) Financial Information**

	PARENT	
	2013	2012
	\$	\$
<b>Profit for the year</b>	<b>567,152</b>	851,191
<b>Total comprehensive income for the year</b>	<b>567,152</b>	851,191
<b>Current Assets</b>	<b>1,695,155</b>	1,356,400
<b>Non current assets</b>	<b>1,064,364</b>	1,064,414
<b>Total Assets</b>	<b>2,759,519</b>	2,420,814
<b>Current Liabilities</b>	<b>1,968,501</b>	2,284,551
<b>Total Liabilities</b>	<b>1,968,501</b>	2,284,551
<b>Equity</b>		
<b>Retained earnings</b>	<b>791,018</b>	136,263
<b>Total Equity</b>	<b>791,018</b>	136,263

**Contingent Liabilities and Capital expenditure**

There are no contingent liabilities for the parent entity for both financial years ended 30 September 2012 and 30 September 2013.

The parent entity did not have any contracted capital expenditure commitments for the acquisition of property, plant and equipment for both financial years 30 September 2012 and 30 September 2013.

**Guarantees**

The parent entity did not enter into a deed of cross guarantee for its subsidiaries for both financial years ended 30 September 2012 and 30 September 2013.

**14. RELATED PARTIES**

There have been no related party transactions during the year ended 30 September 2013 other than those disclosed in Note 12.

**15. PARENT ENTITY INVESTMENT IN CONTROLLED ENTITIES**

Name of subsidiaries	Country	Percentage Interest Held	
		2013	2012
COGGO Breeding Pty Ltd	Australia	100%	100%
COGGO Seeds Pty Ltd	Australia	100%	100%
Grain Biotech Australia Pty Ltd	Australia	100%	100%

During the year funds have been advanced between entities within the consolidated entity for the purposes of working capital requirements only. The Investment companies comprise ordinary shares and all shares held are unquoted. These entities are not required to prepare or lodge audited financial statements.

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**16. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS**

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

<b>Reference</b>	<b>Title</b>	<b>Summary</b>	<b>Application date (financial years beginning)</b>
AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2015
AASB 10	<i>Consolidated Financial Statements</i>	Replaces the requirements of AASB 127 and Interpretation 112 pertaining to the principles to be applied in the preparation and presentation of consolidated financial statements.	1 January 2013
AASB 11	<i>Joint Arrangements</i>	Replaces the requirements of AASB 131 pertaining to the principles to be applied for financial reporting by entities that have an interest in arrangements that are jointly controlled.	1 January 2013
AASB 12	<i>Disclosure of Interests in Other Entities</i>	Replaces the disclosure requirements of AASB 127 and AASB 131 pertaining to interests in other entities.	1 January 2013
AASB 127	<i>Separate Financial Statements</i>	Prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 January 2013
AASB 128	<i>Investments in Associates and Joint Ventures</i>	Prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2013
AASB 13	<i>Fair Value Measurement</i>	Provides a clear definition of fair value, a framework for measuring fair value and requires enhanced disclosures about fair value measurement.	1 January 2013

The Group 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 group in the current or future reporting periods and on foreseeable future transactions.

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**23. DIVIDENDS**

The company had declared a final dividend of \$340,827 during the year ended 30 September 2012. However an adjustment of \$1,548 was added to that amount for income received from AWB which pertained to the period ended 30 September 2011 and so was added to the dividend paid.

The final dividend of \$342,375, which was an unfranked, was paid on 30 April 2013.

**24. SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 30 September 2013 that has significantly affected or may significantly affect:

- a) The group's operations in future years;
- b) The results of those operations in future financial years; or
- c) The group's state of affairs in future years.

**25. CONTINGENCIES**

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

**26. COMPANY DETAILS**

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

26 Winthrop Drive  
WINTHROP WA 6150