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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 2014 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 and experience

Bruce Piper MAICD - Chairman (Non-Executive) (Retired 21 February 2014)

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 is also currently the Chairman of the Institute of Agriculture of The University of Western Australian External Advisory Board.

Chris Wilkins – Chairman (Non-Executive)

Chris Wilkins has a degree in Agricultural Science and a Graduate Diploma in Business Administration. Chris has been operating his own consulting business for 14 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.

Gerard Paganoni BSc (Non-Executive Director) (Retired 21 February 2014)

Gerard Paganoni has a degree in Science in Population Resources and Technology from Murdoch University. He has been farming for 22 years, at "East Broomehill", where he currently crops approximately 4,100 hectares of 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.

Sheila Charlesworth (Non-Executive Director)(Appointed 21 February 2014)

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

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 22 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 farms in the Mingenew shire. The Farm produces wheat, lupins, canola, chickpeas, wool and sheep meats. He is currently on the Mingenew Irwin Group Management Committee and Chairman of the Research & Development Committee. He is a former President of the Mingenew Branch of the WA Farmers Federation and a former representative for the North Midlands Zone on the WAFF Grains Council. He is currently involved with sporting activities in Mingenew.

Steven John Tilbrook (Non-Executive Deputy Chairman)

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

Rhys Turton (Non-Executive Director)(Appointed 21 February 2014)

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

ACTIVITIES

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

REVIEW OF OPERATIONS

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 2014 was $1,360,222 (2013: Consolidated profit of $610,670).

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

DIRECTORS' MEETINGS

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

	Directors' Meetings	
	Number eligible to attend	Number Attended
B Piper	2	2
G Paganoni	2	2
B Large	4	3
C Wilkins	4	4
I Thomas	4	4
S Tilbrook	4	3
S Charlesworth	3	3
R Turton	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)

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.

C. Wilkins
DIRECTOR

S Tilbrook
DIRECTOR

PERTH, 22 December 2014.

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9101
www.rsmi.com.au

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 2014, 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: 22 December 2014

RSM Bird Cameron Partners

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 **F** +61 8 9261 9101
www.rsmi.com.au

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 2014, 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.

RSM Bird Cameron Partners

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 2014 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: 22 December 2014

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 2014 and of its performance for the year ended on that date;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

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

PERTH, 22 December 2014.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	Group 2014 $	Group 2013 $
Grower voluntary levies		958,905	835,309
Finance revenue (interest and royalties)		211,086	243,954
		1,169,991	1,079,263
Employee benefits expense		(22,530)	(23,696)
Audit and accountancy costs		(22,180)	(48,180)
Conferences		-	(4,166)
Consultancy expense		(139,816)	(85,190)
Insurance		(4,635)	(5,068)
Promotion and communications expense		(30,892)	(1,800)
Research and development costs		(542,883)	(257,503)
Statutory charges		(529)	(1,060)
Telecommunications expense		(469)	(634)
Travelling expenses		(15,095)	(19,636)
Impairment of goodwill		-	(48,271)
Other expenses		(48,959)	(42,042)
Profit before Income Tax		342,003	542,017
Income tax benefit	5	205,149	68,653
Net profit for the year		547,152	610,670
Other comprehensive income for the year		813,070	-
Total comprehensive income for the year		1,360,222	610,670

The accompanying notes form part of the financial statements.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Note	Group 2014 $	Group 2013 $
CURRENT ASSETS			
Cash	4(a)	1,998,917	1,500,906
Trade and other receivables	6	67,743	57,647
Other financial assets	7	-	60,000
Other assets	8	200,784	76,601
TOTAL CURRENT ASSETS		2,267,444	1,695,154
NON CURRENT ASSETS			
Intangible asset	9	-	139,105
TOTAL NON CURRENT ASSETS		-	139,105
TOTAL ASSETS		2,267,444	1,834,259
CURRENT LIABILITIES			
Trade and other payables	10	99,340	91,069
TOTAL CURRENT LIABILITIES		99,340	91,069
TOTAL LIABILITIES		99,340	91,069
NET ASSETS		2,168,104	1,743,190
EQUITY			
Retained earnings		2,168,104	1,743,190
TOTAL EQUITY		2,168,104	1,743,190

The accompanying notes form part of the financial statements.

COUNCIL OF GRAIN GROWER ORGANISTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Retained earnings $	Total $
Balance at 1 October 2012	1,134,068	1,134,068
Profit for the year	610,670	610,670
Total comprehensive Income for the year	610,670	610,670
Dividend recognised during the year	(1,548)	(1,548)
Balance at 30 September 2013	1,743,190	1,743,190
Balance at 1 October 2013	**1,743,190**	**1,743,190**
Less de-consolidation write off	(769,685)	(769,685)
Profit for the year	1,360,222	1,360,222
Total comprehensive income for the year	1,360,222	1,360,222
Dividend recognised during the year	(165,623)	(165,623)
Balance at 30 September 2014	**2,168,104**	**2,168,104**

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 2014

	Note	Group 2014 $	Group 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from growers voluntary levies		999,962	835,309
Payments to suppliers and employees		(302,575)	(205,498)
Royalties received		149,865	176,681
Interest received		27,903	65,337
Income tax benefit/(paid)		85,893	(9,432)
Payments for research grants		(539,901)	(257,503)
NET CASH FLOWS FROM OPERATING ACTIVITIES	4(b)	421,147	604,894
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer from/(to) commercial bills-investment account		60,000	(177)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		60,000	(177)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Refunded		182,487	-
Dividends paid		(165,623)	(342,375)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		16,864	(342,375)
NET INCREASE IN CASH HELD		498,011	262,342
Cash at the beginning of the Financial Year		1,500,906	1,238,564
CASH AT THE END OF THE FINANCIAL YEAR	4(a)	1,998,917	1,500,906

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 2014

1. CORPORATE INFORMATION

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

The Company is limited by guarantee and in accordance with the Company's constitution, the liability of members in the event of the Company being wound up would not exceed $10 per member. At 30 September 2014, the number of members was 469.

The financial statements were authorised for issue on 22 December 2014 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 2014

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.

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 were measured at the lower of cost and net realisable value.

e) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and arise when the 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 2014

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.

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 2014

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.

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.

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.

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 nil has been recognised in respect of goodwill for the year ended 30 September 2014 (2013: $48,271).

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 2014	GROUP 2013
Financial Assets		**$**	**$**
Cash and cash equivalents	4(a)	1,998,917	1,500,906
Trade and other receivables	6	67,743	57,647
Bills of exchange	7	-	60,000
Total Financial Assets		2,066,660	1,618,553
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	10	99,340	91,069
Total Financial Liabilities		99,340	91,069

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.

		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2014	$	$	$	$	$
Financial Assets					
Cash and cash equivalents	1,998,917	(19,989)	(19,989)	19,989	19,989
Total Increase/(Decrease)		(19,989)	(19,989)	19,989	19,989
2013					
Financial Assets					
Cash and cash equivalents	1,500,906	(15,009)	(15,009)	15,009	15,009
Total Increase/(Decrease)		(15,009)	(15,009)	15,009	15,009

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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.

		Interest rate exposure			Past due but not impaired			
Financial Assets	Weighted Average Effective Interest Rate %	Carrying Amount $	Variable interest rate $	Non-interest bearing $	Within 1 year $	1 to 5 years $	Over 5 years $	Impaired financial assets $
2014								
Cash and cash equivalents	3.50	1,998,917	1,998,917	-	-	-	-	-
Trade and other receivables		67,743	-	67,743	67,743	-	-	-
		2,066,660	1,998,917	67,743	67,743	-	-	-
2013								
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	-	-	-
		1,618,553	1,560,906	57,647	57,647	-	-	-

(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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

	Weighted Average Effective Interest Rate	Interest rate exposure			Maturity date		
		Carrying Amount	Fixed interest rate	Non-interest bearing	Within 1 year	1 to 5 years	Over 5 years
	%	$	$	$	$	$	$
Financial liability							
2014							
Trade and other payables	-	99,340	-	99,340	99,340	-	-
		99,340	-	99,340	99,340	-	-
2013							
Trade and other payables	-	91,069	-	91,069	91,069	-	-
		91,069	-	91,069	91,069	-	-

(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.

	2014		**2013**	
	Carrying Amount	**Net Fair Value**	**Carrying Amount**	**Net Fair Value**
	$	**$**	**$**	**$**
Financial Assets				
Cash and cash equivalent	1,998,917	1,998,917	1,500,906	1,500,906
Bills of exchange	-	-	60,000	60,000
Trade and other receivables	67,743	67,743	57,647	57,647
	2,066,660	2,066,660	1,618,553	1,618,553
Financial Liabilities				
Trade and other payables	99,340	99,340	91,069	91,069
	99,340	99,340	91,069	91,069

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

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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

	GROUP	
	2014	2013
	$	$
(a) Reconciliation of cash		
Cash balance comprise:		
- cash at bank and on hand	1,998,917	1,500,906
(b) Reconciliation of net profit to the net cash flows from operations:		
Net profit after tax	1,360,222	610,670
- De-consolidation benefit	(813,070)	-
- Goodwill impairment losses	-	48,271
	(813,070)	48,271
Changes in operating assets and liabilities		
- Trade and other receivables	41,057	(72,669)
- Other assets	(170,044)	183
- Trade and other payables	2,982	18,439
	(126,005)	54,046
Net cash flow from operating activities	421,147	604,894

5. INCOME TAX

The major components of income tax expense are:

	GROUP 2014 $	GROUP 2013 $
Income Statement		
Current income tax		
Current income tax charge / (benefit)	(194,113)	(70,732)
Adjustments in respect of current income tax of previous years	(8,861)	-
Deferred income tax		
Relating to the origination and reversal of temporary differences	(2,175)	2,079
Income tax expense / (benefit) reported in the income statement	(205,149)	(68,653)

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:

	2014 $	2013 $
Accounting profit before income tax	1,155,589	542,017
At the Group's statutory income tax rate of 30% (2013: 30%)	346,677	162,605
Adjustments in respect of current income tax of previous years	(8,861)	-
Net non-assessable mutual income	(217,611)	(198,265)
Research & development expenditure	162,865	91,862
Research & development concession	(244,297)	(137,793)
Loan forgiveness	-	(1,542)
Amortisation of Goodwill	-	14,480
Reversal of provision for Diminution	(243,922)	-
Other	1	-
	(205,149)	(68,653)

Deferred income tax

	2014 $	2013 $
Deferred tax liabilities		
Prepayments	-	157
	-	157

5. INCOME TAX (Continued)

	GROUP 2014 $	GROUP 2013 $
Deferred tax assets		
Provisions	2,659	1,777
	2,659	1,777
Deferred tax assets not being recognised at reporting date as realisation of the benefit is not regarded as probable – Temporary Differences	-	309,102
Income tax (payable) / refund due – current	(194,113)	(70,732)

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 nil Australian carry forward tax losses.

Tax Consolidation
Effective 26 February 2004, for the purposes of income taxation, The Council of Grain Grower Organisations Limited and its 100% owned subsidiaries formed a tax consolidated group. The head entity of the tax consolidated group is Council of Grain Grower Organisations Limited. However during the financial year two subsidiaries have been struck off and a third was merged and then struck off and so only the parent company of the group remains.

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 and will notify the tax office of its current circumstances when it lodges its next 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.

6. TRADE AND OTHER RECEIVABLES

	GROUP 2014 $	GROUP 2013 $
Current		
Accounts receivable (i)	9,712	50,769
Accrued income	37,853	4,535
GST receivable	20,178	-
Dividend Clearing Account	-	2,343
	67,743	57,647

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

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

	Total $	0 - 30 days $	31 - 60 days $	61 - 90 days $	+91 days $
2014					
Group	9,712	9,712	-	-	-
2013					
Group	50,769	26,695	-	-	24,074

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

7. OTHER FINANCIAL ASSETS

	GROUP 2014 $	GROUP 2013 $
Bills of Exchange – Commonwealth Bank of Australia	-	60,000

Bills of Exchange were made for varying periods of between 28 days to 32 days, and earn interest at 3.59% in 2013.

8. OTHER ASSETS

	2014	2013
Prepayments	3,884	4,249
Deferred tax asset	2,787	1,936
Income tax refund due	194,113	70,416
	200,784	76,601

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9. INTANGIBLE ASSETS - GOODWILL

	GROUP	
	2014	**2013**
	$	**$**
Cost	-	187,376
Accumulated impairment losses	-	(48,271)
Net carrying amount	-	139,105
Balance at the beginning of the year	139,105	187,376
Impairment losses / derecognition	(139,105)	(48,271)
Closing value at 30 September 2014	-	139,105

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

Management had based the value-in-use calculations on budgeted cash flows for Grain Biotech Australia (GBA) results, being the entity for which the goodwill was initially 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. GBA has now been merged with its parent company and then written off so no further Goodwill exists.

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

10. TRADE AND OTHER PAYABLES

Trade creditors (i)	48,325	42,014
Other creditors and accruals	51,015	54,134
GST payable	-	(1,986)
Income tax payable	-	(5,289)
Superannuation Payable	-	1,646
PAYG tax payable	-	550
	99,340	91,069

(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	15,000	18,000
	15,000	18,000

12. KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Details of Key Management Personnel

(i) Directors

Bruce Leslie Piper	Chairman (non-executive) (retired 21/2/2014)
Gerard Damian Paganoni	Director (non-executive) (retired 21/2/2014)
Barry Large	Director (non-executive)
Chris Wilkins	Director (non-executive)
Ian Bruce Thomas	Director (non-executive)
Steven John Tilbrook	Director (non-executive)
Sheila Charlesworth	Director (non-executive) (appointed 21/2/2014)
Rhys Turton	Director (non-executive) (appointed 21/2/2014)

Other than the above 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.

	Short term employee benefits			
Directors	**Salary & fees $**	**Other benefits $**	**Superannuation $**	**Total $**
30 September 2014				
Number of Directors - 8	17,750	13,066	1,656	32,472
30 September 2013				
Number of Directors - 6	21,700	16,703	1,960	40,363

13. PARENT ENTITY DISCLOSURES

(a) Financial Information

	PARENT	
	2014	2013
	$	$
Profit for the year	**1,360,222**	567,152
Total comprehensive income for the year	**1,360,222**	567,152
Current Assets	**2,267,444**	1,695,155
Non current assets	**-**	1,064,364
Total Assets	**2,267,444**	2,759,519
Current Liabilities	**99,340**	1,968,501
Total Liabilities	**99,340**	1,968,501
Equity		
Retained earnings	**2,168,104**	791,018
Total Equity	**2,168,104**	791,018

Contingent Liabilities and Capital expenditure

There are no contingent liabilities for the Company for both financial years ended 30 September 2013 and 30 September 2014.

The Company did not have any contracted capital expenditure commitments for the acquisition of property, plant and equipment for both financial years 30 September 2013 and 30 September 2014.

Guarantees

The Company did not enter into a deed of cross guarantee for its subsidiaries for the financial year ended 30 September 2013 (30 September 2014: No subsidiaries after their de-registration during the year).

14. RELATED PARTIES

There have been no related party transactions during the year ended 30 September 2014 other than those disclosed in Note 12.

15. PARENT ENTITY INVESTMENT IN CONTROLLED ENTITIES

	Country	Percentage Interest Held	
Name of subsidiaries		2014	2013
COGGO Breeding Pty Ltd	Australia	-	100%
COGGO Seeds Pty Ltd	Australia	-	100%
Grain Biotech Australia Pty Ltd	Australia	-	100%

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:

Reference	Title	Summary	Application date (financial years beginning)
AASB 9	*Financial Instruments*	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 2018
IFRS 15	*Revenue from Contracts with Customers*	The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards, as is currently the case under IAS 18 Revenue.	1 January 2017

* *Revenue from Contracts with Customers is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted (although early adoption in Australia is only permitted once approved by the Australian Accounting Standards Board (AASB), which is not expected until late in Q4 2014).*

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 paid a dividend of $165,623, which was an unfranked, was paid on 20 May 2014.

24. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 September 2014 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. DISCONTINUED OPERATIONS

During the financial year, three wholly owned subsidiaries Grain Biotech Australia, COGGO Seeds Pty Ltd and COGGO Breeding Pty Ltd were deregistered by the consolidated entity.

Financial information relating to the discontinued operation is set out below is included in the profit from discontinued operations per the statement of comprehensive income is as follows:

Details of the disposal*

	2014 $
Carrying amount of net assets disposed	813,070
Profit attributable to the Company on disposal	813,070

Cash flow information

	2014 $
Net cash from operating activities	-
Net cash used in investing activities	-
Net increase in cash and cash equivalents from discontinued operations	-

* There were no transaction in disposed entities during the year.

Carrying amounts of assets and liabilities disposed

	2014 $
Trade and other receivables	1,878,040
Total assets	1,878,040
Trade and other payables	606
Total liabilities	606
Net assets	1,877,433
Less investment in subsidiaries	*1,064,364*
Profit attributable to the Company on disposal	813,070

27. COMPANY DETAILS

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

26 Winthrop Drive
WINTHROP WA 6150