

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**



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INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Page No.
Directors' Report	1 - 4
Auditor's Independence Declaration	5
Independent Auditor's Report	6 - 7
Directors' Declaration	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 – 22

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

Your directors present their report together with the financial statements on the Council of Grain Grower Organisations Limited (the Company) for the year ended 30 September 2017.

DIRECTORS

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

Names, qualifications and experience

Chris Wilkins – Chairman (Non-Executive 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 16 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.

Rhys Turton - Deputy Chairman (Non-Executive Director)

Rhys Turton Farms 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.

Sheila Charlesworth – Retired 24th February 2017 (Non-Executive Director)

Sheila was the Executive Officer of the Mingenew Irwin Group and a director of the its board. She was 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.

Barry Large (Non-Executive Director)

Barry Large farms at Round Hill, Miling on a property known as "Moorlands". He has been farming for 24 years, growing hay, cereals, lupins and oilseeds. Mr Large has also acted as the vice Chairman of PGA Western Grain Growers for the past 6 years and has been involved in Biosecurity Issues in WA for the past 11 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.

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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.

William Alfred Carmody – Elected 24th February 2017 (Non-Executive Director)

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

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

At the September 2017 Board Meeting the Directors agreed to fund a further \$106,544 of R&D in 2017 in 3 separate new projects. This makes the total of R&D funded, since the Company was refocused in 2012, to over \$2,400,000.

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

OPERATING RESULTS

The profit for the year ended 30 September 2017 was \$249,255. (2016: loss of \$26,364).

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

DIRECTORS' MEETINGS

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

	Directors' Meetings	
	Number eligible to attend	Number Attended
B Large	3	2
C Wilkins	3	3
I Thomas	3	3
S Charlesworth	2	0
R Turton	3	3
W Carmody	2	2

DIRECTORS' BENEFITS

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

At the Board meeting held on 29 September 2017 the Directors resolved to commence procedures to wind up the Company citing its steady decline in membership and income. The resolution will be put before members at the annual general meeting in February 2018 where a 75% majority would need to be obtained supporting the resolution for it to go ahead.

SIGNIFICANT EVENTS AFTER REPORTING DATE

No matter or circumstance has arisen since 30 September 2017 that has significantly affected or may significantly affect, the company's operations in future years, the results of those operations in future financial years, or the company's state of affairs in future years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

AUDITORS' INDEPENDENCE DECLARATION

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

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



**C. Wilkins
DIRECTOR**



**R. Turton
DIRECTOR**

PERTH, 15 December 2017



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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 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 15 December 2017

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

Opinion

We have audited the financial report of the Council of Grain Grower Organisations Limited (the Company), which comprises the statement of financial position as at 30 September 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 September 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

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Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 September 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

A stylized, handwritten-style signature of the letters 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 15 December 2017

**COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The directors of the company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:
 - a. comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements; and
 - b. give a true and fair view of the company's financial position as at 30 September 2017 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 pursuant to section 295(5)(a) of the Corporations Act 2001.



**C Wilkins
DIRECTOR**



**R. Turton
DIRECTOR**

PERTH, 15 December 2017

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
Revenue			
Grower voluntary levies		608,626	533,144
Finance revenue (interest and royalties)		76,427	89,361
		<u>685,053</u>	<u>622,505</u>
Expenses			
Directors benefits expense		(15,771)	(31,053)
Audit and accountancy expense		(28,400)	(38,500)
Consultancy expense		(136,721)	(154,313)
Insurance expense		(4,308)	(4,312)
Promotion and communications expense		(14,821)	(63,753)
Research and development expense		(363,841)	(622,116)
Statutory charges		(94)	(55)
Telecommunications expense		(525)	(881)
Travelling expenses		(4,696)	(13,604)
Other expenses		(13,950)	(35,457)
		<u>101,926</u>	<u>(341,539)</u>
Profit/ (loss) before income tax			
Income tax benefit	5	147,329	315,175
Profit/ (loss) for the year attributable to members of the Council of Grain Growers Organisation Limited		<u>249,255</u>	<u>(26,364)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive Income for the year attributable to members of the Council of Grain Growers Organisation Limited		<u>249,255</u>	<u>(26,364)</u>

The accompanying notes form part of the financial statements

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,784,626	1,647,548
Trade and other receivables	6	34,871	55,836
Other assets	7	178,489	323,020
TOTAL CURRENT ASSETS		<u>1,997,986</u>	<u>2,026,404</u>
TOTAL ASSETS		<u>1,997,986</u>	<u>2,026,404</u>
CURRENT LIABILITIES			
Trade and other payables	8	84,343	122,522
TOTAL CURRENT LIABILITIES		<u>84,343</u>	<u>122,522</u>
TOTAL LIABILITIES		<u>84,343</u>	<u>122,522</u>
NET ASSETS		<u>1,913,643</u>	<u>1,903,882</u>
EQUITY			
Retained earnings		<u>1,913,643</u>	<u>1,903,882</u>
TOTAL EQUITY		<u>1,913,643</u>	<u>1,903,882</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 2017

	Retained earnings \$	Total \$
Balance at 1 October 2015	2,225,989	2,225,989
Loss for the year	(26,364)	(26,364)
Total comprehensive Loss for the year	(26,364)	(26,364)
Dividend recognised during the year	(298,827)	(298,827)
Net dividends refunded during the year	3,084	3,084
Balance at 30 September 2016	1,903,882	1,903,882
Balance at 1 October 2016	1,903,882	1,903,882
Profit for the year	249,255	249,255
Total comprehensive profit for the year	249,255	249,255
Dividend recognised during the year	(239,915)	(239,915)
Less tax refund over accrued 2016	(421)	(421)
Balance at 30 September 2017	1,913,643	1,913,643

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 2017

		2017 \$	2016 \$
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from growers voluntary levies		653,814	574,424
Payments to suppliers and employees		(298,806)	(443,478)
Royalties received		43,155	39,880
Interest received		37,200	70,736
Income tax benefit		290,722	248,906
Payments for research grants		(349,092)	(572,031)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	4(b)	376,993	(81,563)
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends refunded		-	3,084
Dividends paid		(239,915)	(298,827)
NET CASH USED IN FINANCING ACTIVITIES		(239,915)	(295,743)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		137,078	(377,306)
Cash and cash equivalents at the beginning of the financial year		1,647,548	2,024,854
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4(a)	1,784,626	1,647,548

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 2017

1. CORPORATE INFORMATION

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

The Company is limited by guarantee and in accordance with the Company's constitution, the liability of members in the event of the Company being wound up would not exceed \$10 per member. At 30 September 2017, the number of members was 335. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The financial statements were authorised for issue on 15 December 2017 by the directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the accounts

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

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

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

Adoption of new and revised accounting standards

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

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

(b) Significant accounting judgements, estimates and assumptions

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

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

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

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

(i) Growers Voluntary Levies

Revenue is recognised upon confirmation of funds to be received from the parties collecting the levies on behalf of the Company.

(ii) Interest

Revenue is recognised as it accrues using the effective interest rate method.

(iii) End Point Royalties

Revenue is recognised upon confirmation of funds to be received from the parties collecting the royalties on behalf of the Company.

(d) Cash and cash equivalents

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

(e) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

(f) Trade and other payables

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

(g) Directors fees and superannuation

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

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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.

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.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

(j) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(k) Comparative figures

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 September 2017. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reference	Title	Summary	Application date (financial years beginning)
AASB 15	<i>Revenue from Contracts with Customers</i>	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1 January 2018
AASB 16	<i>Leases</i>	The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs).	1 January 2019

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Market risk

Foreign currency risk

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

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

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

Credit risk

The company is not exposed to any significant credit risk.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding to research providers in relation to crop improvement and General R&D and being a viable going concern. Responsibility for liquidity risk management rests with Management and the Board.

The company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

4. RECONCILIATION OF NET PROFIT/ (LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2017 \$	2016 \$
(a) Reconciliation of cash		
Cash balance comprise:		
- cash at bank and on hand	<u>1,784,626</u>	<u>1,647,548</u>
(b) Reconciliation of net profit		
to the net cash flows from operations:		
Net profit/(loss) after tax	249,255	(26,364)
Changes in operating assets and liabilities		
- Trade and other receivables	20,965	(7,144)
- Other assets	144,531	(63,714)
- Tax refund over accrued	421	-
- Trade and other payables	<u>(38,179)</u>	<u>15,659</u>
	<u>127,738</u>	<u>(55,199)</u>
Net cash from operating activities	<u>376,993</u>	<u>(81,563)</u>

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 \$	2016 \$
5. INCOME TAX		
The major components of income tax expense are:		
Income Statement		
<i>Current income tax</i>		
Current income benefit	(165,300)	(316,067)
Adjustments in respect of current income tax of previous years	13,747	6,418
<i>Deferred income tax</i>		
Relating to the origination and reversal of temporary differences	(7,794)	2,770
Adjustment in respect of current income tax of previous years	12,018	(8,296)
Adjustment in respect of current income tax of previous years		
Income tax benefit reported in the income statement	<u>(147,329)</u>	<u>(315,175)</u>
A reconciliation between income tax benefit and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:		
Accounting profit before income tax	101,926	(341,538)
At the Company's statutory income tax rate of 27.5% (2016: 30%)	28,030	(102,461)
Adjustments in respect of current income tax	13,747	6,418
Net non-assessable mutual income	(128,667)	(101,042)
Research & development expenditure	104,500	236,177
Research & development concession	(165,300)	(354,266)
Adjustment for change in tax rate	361	-
Other	-	(1)
	<u>(147,329)</u>	<u>(315,175)</u>
Deferred tax liabilities		
Accrued Income	6,900	8,110
	<u>6,900</u>	<u>8,110</u>

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. INCOME TAX (Continued)

	2017 \$	2016 \$
Deferred tax assets		
Tax losses	1,939	-
Provisions	7,645	3,000
	<u>9,584</u>	<u>3,000</u>
 Income tax refund due	 <u>(165,300)</u>	 <u>(316,067)</u>

This deferred tax asset will only be obtained if:

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

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

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

Tax Losses

The company has no Australian carry forward tax losses.

Tax Consolidation

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

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

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 \$	2016 \$
6. TRADE AND OTHER RECEIVABLES		
Trade receivables (i)	4,288	2,771
Accrued income	25,089	27,032
GST receivable	5,494	26,033
	<u>34,871</u>	<u>55,836</u>

Past due but not impaired

The company did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired trade receivables are as follows:

	Total	30 days or less	31- 60 days	61-90 days	91 days or more
30 September 2017	4,288	1,021	-	-	3,267
30 September 2016	2,771	2,771	-	-	-

Impairment of receivables

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

	2017 \$	2016 \$
7. OTHER ASSETS		
Prepayments	3,605	3,953
Deferred tax asset	9,584	3,000
Income tax refund due	165,300	316,067
	<u>178,489</u>	<u>323,020</u>

8. TRADE AND OTHER PAYABLES

Other creditors and accruals	77,443	114,412
Deferred tax liability	6,900	8,110
	<u>84,343</u>	<u>122,522</u>

9. REMUNERATION OF AUDITORS

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

<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	<u>12,800</u>	<u>12,400</u>

COUNCIL OF GRAIN GROWER ORGANISATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

10. KEY MANAGEMENT PERSONNEL DISCLOSURE

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

	Short term employee benefits		Post-employment benefits	Total
	Salary & fees	Other benefits	Superannuation	
	\$	\$	\$	\$
30 September 2017	14,605	4,696	1,166	20,467
30 September 2016	28,425	11,195	2,628	42,248

11. CONTINGENT LIABILITIES AND CAPITAL EXPENDITURE

There are no contingent liabilities for the company for both financial years ended 30 September 2016 and 30 September 2017.

The company did not have any contracted capital expenditure commitments for the acquisition of property, plant and equipment for both financial years 30 September 2016 and 30 September 2017.

12. RELATED PARTY TRASACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in Note 10.

Trasactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

13. DIVIDENDS

The company paid a dividend of \$239,915 which was unfranked, and was paid on 1 March 2017.

14. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 September 2017 that has significantly affected or may significantly affect; the company's operations in future years, the results of those operations in future financial years, or the company's state of affairs in future years.

15. COMPANY DETAILS

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

10A Danzil Street
 WILLAGEE WA 6156