

# **Grain Trade Australia Ltd**

**ABN 70 979 095 411**

## **Financial Statements - 30 June 2023**

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The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

### Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Goyder  
Geoffrey Farnsworth  
Michael Wood  
Robert Imray  
Jason Craig  
Richard Perkins

Ole Houe  
Lyndon Asser  
Simon Tickner  
Michelle Kerr  
Daniel Marsh (Resigned on 25/10/2022)  
Matthew Kelly (Appointed on 25/10/2023)

### Objectives

The company is the focal point for the commercial grains industry within Australia. The company facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain.

This vision maps out a direction for the company and is aligned to the needs of a \$27 billion grains industry. The company focuses on trade facilitation. The strategic objectives also detail additional services and products that are required by industry and government that demonstrate an industry that is commercially self-reliant, and which can manage and regulate its activities.

### Strategy for achieving the objectives

The company will continually review the products and services that allow 'trade facilitation' to ensure they reflect the commercial grain trading environment. This will occur via input from the company's Technical Committees, Sector Councils, members and the broader grains industry. The review process will be public, transparent and open to all.

The company will engage in the provision of services that support the core activities of 'trade facilitation'.

The company will only provide industry support services where there is widespread member support. Industry support services will not advantage or disadvantage the commercial positions of any one industry sector over another.

Industry support products will be offered by the company to members at a fair market rate that encourages participation at the same time as returning a reasonable return on funds invested by the company.

The company's profile is recognised as an industry communicator by Government, media, financial institutions, other industry organisations and members. The industry is seen as transparent, collaborative and supportive of entrepreneurship. The company will via various communication mediums disseminate its commercial resources and other material related to 'facilitation of trade' to members and non-members. This also relates to international sectors of the grain industry.

The company has made an undertaking to the Australian grain industry to provide services and products to enable 'trade facilitation'. This can only occur if the services and products are subject to constant review to ensure they reflect actual trade requirements. The review process must follow due process.

### Principal activities

The principal activities of Grain Trade Australia Ltd during the financial year were focused on the provision of services and products to 'facilitate trade'. These are referred to as 'core activities' and include.

- development, review and publication of grain trading standards for the Australian grain industry;
- development, review and publication of contracts and trade rules;
- conduct of a Dispute Resolution Service;
- conduct of training and development programs;
- development, review and publication of the Australian Grain Industry Code of Practice; and
- actively engaging in trade and market access activities.

### Supporting activities

Industry support services – services where the company is able to add value to company's members business by engaging in activities such as advocacy to government and related commercial organisations on issues that have broad industry agreement. Industry support products include acting as conference organiser for the Australian Grains Industry Conference.

No significant changes in the nature of the company's activities occurred during the financial year.

### **Performance measures**

Critical performance indicators are:

- Total membership and membership by industry sector, geographical location and size;
- Financial outcomes

Key performance indicators include:

- Harmonised trading products and services – so that trading risks are lowered, capital is attracted, and transparency is enhanced
- Suite of tools to enable trade to occur efficiently and seamlessly – low cost transactions are critical to maintain global value chain competitiveness
- Training and development program that enhances the skills of industry participants – other industries and countries are competing for skilled human resources; company must deliver programs to encourage and promote skills improvement
- Knowledge sharing – communicating the grain industry and company's vision is critical to garnering the support required for growth
- Funds and Resources for the company to deliver the outcomes – this growth in industry services and communication cannot be met without a step change and sustained increase in company's funding and revenue streams
- Partnerships/linkages with industry stakeholders, Government and agencies, and international counterparts – members alone cannot fund the entire service load. Partnering will be an important component of success

### **Review of operations**

A further record Australian crop; the continuation of the Ukraine / Russian war; and strong export demand have been dominant market issues during 2022/23 season. The scale of the export task and wet weather during harvest impacted quality, increased supply chain challenges and price volatility. The entire supply chain has been challenged with managing the three record years of production and has demonstrated an amazing capacity to grow and thrive under pressure, whilst maintaining the reputation of Australia's grain quality, its food safety and our customer's confidence in the capacity and capability of Australia's grain supply chain.

In December 2022 GTA released Australia's Supply Chain Environmental, Social & Governance (ESG) Credentials, greenhouse gas emission (GGE) information papers and the Location Differentials GGE table as part of its activities to support members in their ESG understanding and objectives.

GTA has been heavily involved in Trade and market Access initiatives, including a market diversification push into the growing Indian market. To support this direction GTA has developed an Australia/India strategic grain partnership model based on the successful engagement model GTA has used in other Asian markets.

GTA has supported its members and industry through the provision of key services including training, arbitration, conferences (AGIC Australia and AGIC Asia), as well as industry updates via-online delivery platforms. The National Grain Storage Protection Conference was held in 2022/23. The company continues to maintain its office, however all staff have flexible work arrangements.

GTA continues its collaboration with the Department of Agriculture, Fisheries and Forestry (DAFF) to deliver benefits and improve the competitiveness of the Australian grain industry. Major collaborative projects underway include the establishment of the GTA grain Storage Assets & Management Standard, a review of DAFF whole grain and meal import procedures and progressing a Standard and supporting framework for the introduction of digital image technology for grain quality and biosecurity assessment.

GTA has been involved with other grain industry organisations in the design and formation of Grains Australia Limited (GAL). As it is now well established the GTA made the decision to step back from formal involvement in the oversight and governance of GAL and has withdrawn from its formal roles on the GAL Advisory Committee and the Director Selection Committee.

**Surplus/deficit for the year**

The company has generated a surplus of \$426,948 this year( 2022: \$124,861). The following factors contributed to this:

- Higher production levels and consequently stronger supply chain throughput have generated buoyant industry conditions in 2022/23.
- Training and Development margin have been strong due to good participant volumes (likely in response to better seasonal/industry conditions). Programs are being delivered on-line and in-person.
- While conference and event income was higher than previous years, with return to in-person events, that has seen encouraging support from sponsors and delegates, and effective cost management.
- Staff and Director travel and accommodation costs have returned to more normal (ie pre- COVID) levels.

**Information on directors**

**Name:** Andrew Goyder  
**Title:** Non-Executive Director, Chair - Board Appointment  
**Experience and expertise:** Managing Director Grain Link WA, established 1999. Andrew is a company Approved Arbitrator. Previously involved in Seed Industry and Export Canola with SGB Australia and Grain Pool WA as regional manager southern WA. Andrew completed Australian Institute of Company Directors Course (GAICD).

**Special responsibilities:** Chair of Company's Board, Chair of Environment, Social & Governance Committee, Member of Audit, Finance and Remuneration Committee, Chair of Domestic Sector Council.

**Name:** Geoffrey Farnsworth  
**Title:** Non-Executive Director, Board Appointment  
**Qualifications:** Bachelor of Law, Bachelor of Arts  
**Experience and expertise:** Partner – Holding Redlich  
**Special responsibilities:** Chair of Transport, Storage & Ports Committee, Chair of the Dispute Resolution Service Committee, Deputy Chair of Commerce Committee, Member of Environment, Social & Governance Committee, Member of Membership Committee

**Name:** Michael Wood  
**Title:** Non-Executive Director, Merchant Association nomination  
**Qualifications:** Diploma Applied Science (Agriculture)  
**Experience and expertise:** Michael has been an active member of the Australian Grains Industry for 30 years.

He is the Managing Director of Melbourne-based grain trading and logistics company, Rural Logic Founding Manager (1990) of Stockfeed company James & Son for 10 years. Aust Barley Board Victorian State Manager (5 years) and Grains Manager IMCA Malting Company (2005/2006). Former President of Grains Industry Association of Victoria and has remained on the Committee since 2005.  
**Special responsibilities:** Chair of Commerce Committee, Member of Trade & Marketing Access Committee, Member of Dispute Resolution Service Committee, Member of Environment, Social & Governance Committee.

**Name:** Robert Imray  
**Title:** Non-Executive Director, Merchant Association nomination  
**Qualifications:** Bachelor's Degree in Business, Graduate Diploma in Accounting and Master's Degree in Business (International Business), GAICD  
**Experience and expertise:** Managing Director Farmarco Australia, 30 years' experience in commodities, both physical & derivative markets. Rob is the Managing Director of Farmarco Australia having held a number of roles there throughout his career following a background in rural accounting and the sugar industry. Rob is a director of Cotton Compass and currently a Committee Member of Queensland Agricultural Merchants (QAM) Inc. Rob is a GTA Approved Arbitrator.  
**Special responsibilities:** Chair of Audit, Finance and Remuneration Committee, Deputy Chair of Plant Breeding & Innovation Committee

**Name:** Jason Craig  
**Title:** Non-Executive Director, Ordinary Level A nomination  
**Qualifications:** B. Commerce (Banking & Finance), Post Graduate Diploma ASIA (Treasury Stream)  
**Experience and expertise:** General Manager (Marketing & Trading)- CBH Group, 20 plus years experience. Commenced career with Grain Pool (now part of CBH Group) in WA, including 4 years in Indonesia as President Director of PT Eastern Pearl Flour Mills. Former GAFTA Council Member and continues to act as a Director for a number of CBH subsidiaries.  
**Special responsibilities:** Chair of Trade & Market Access Committee, Chair of Plant Breeding for Innovation Committee, Deputy Chair of Transport, Storage & Port Committee, Member of Environment, Social & Governance Committee, Member of Audit, Finance and Remuneration Committee.

**Name:** Ole Houe  
**Title:** Non-Executive Director, Ordinary Level B nomination  
**Qualifications:** BA in Economics - Denmark, BA in International Business - London, Masters of Applied Finance from Kaplan, MBA-AGSM, Sydney, GAICD  
**Experience and expertise:** Has been involved in International Trading for more than 20 years in a number of different roles in Grain, Sugar and Steel. Held international trading roles in the UK, Hong Kong and Australia. Former director of Barley Australia. Is a company arbitrator.  
**Special responsibilities:** Chair of Membership Committee, Deputy Chair of Information Technology Advisory Committee, Member of Dispute Resolution Service Committee, Member of Audit, Finance and Remuneration Committee.

**Name:** Lyndon Asser  
**Title:** Non-Executive Director, Ordinary Level A nomination  
**Qualifications:** Bachelor of Economics - Adelaide University and CPA  
**Experience and expertise:** Has 29 years' experience in grain trading, specialising in Barley. Currently, Senior Commercial Manager - Viterra Pty Ltd, Australia. Formerly, with the Australian Barley Board SA, Viterra and joint head of Viterra's global barley trading operations in The Netherlands.  
**Special responsibilities:** Chair of Australian Grain Exporters Council, Deputy Chair of Commerce Committee, Deputy Chair of Trade & Market Access Committee, Member of Membership Committee, Member of Environment, Social & Governance Committee

**Name:** Simon Tickner  
**Title:** Non-Executive Director, Board Appointment  
**Qualifications:** Master of Agribusiness, University of Melbourne, GAICD  
**Experience and expertise:** Simon is the owner of a dry land, broad acre grain farming enterprise, Yellow Grain Pty Ltd based in the Wimmera, Victoria. Simon has extensive knowledge of modern agronomic production systems, which focus on profit, risk management and sustainability, operating in a highly variable climate.  
**Special responsibilities:** Deputy Chair of Standards Committee, Member of Commerce Committee, Member of Transport, Storage & Port Committee, Member of Membership Committee, Member of Environment, Social & Governance Committee.

**Name:** Michelle Kerr  
**Title:** Non-Executive Director, Deputy Chair, Ordinary Level C nomination  
**Qualifications:** DipAppSc (AgServ) The University of Melbourne  
**Experience and expertise:** Michelle Kerr has been employed at Riordan Grain Services since 2004 and worked across numerous divisions within the business. Michelle is a former committee member and former treasurer of the Grains Industry Association of Victoria (GIAV) and is a company arbitrator.  
**Special responsibilities:** Chair of Standards Committee, Deputy Chair of Transport, Storage & Port Committee, Member of Dispute Resolution Service Committee, Member of Environment, Social & Governance Committee.

Name: Daniel Marsh  
Title: Non-Executive Director, Deputy Chair, Merchant Association Nomination (Resigned on 25/10/2022)  
Qualifications: BSc Biotechnology (Hons) from The University of Reading  
Experience and expertise: Daniel Marsh is currently Deputy CEO of the Australian Exchange (AEX) Group. AEX Group offers globally competitive licensed marketplaces for derivative products with a particular focus on tradeable products within the commodity, energy and environmental asset classes. He has 20 years of experience including head of Agricultural Commodities Trading with the Global Markets division of the Commonwealth Bank of Australia (2017-2020), Group Treasurer at George Weston Foods (2009-2017) and derivatives risk management and trading at JPMorgan in London (2000-2008).  
Special responsibilities: Chair for Information Technology Advisory Committee, Deputy Chair of Plant Breeding for Innovation, Member of Audit, Finance and Remuneration Committee.

Name: Richard Perkins  
Title: Non-Executive Director, Ordinary Level B nomination  
Qualifications: BA in Agricultural Systems from UWS, Graduate Certificate in Applied Finance from Kaplan and has completed the Australian Institute of Company Directors course.  
Experience and expertise: Richard Perkins has over 15 years' experience working in Australian and international grain markets. He is currently the General Manager of Business Development, Advisory and Marketing at Market Check, an independent grain marketing adviser and pool provider for Australian growers.  
Special responsibilities: Deputy Chair of Trade & Market Access Committee, Member of Audit, Finance & Remuneration, Member of Information Technology Advisory Committee, Member of Dispute Resolution Service Committee

Name: Matthew Kelly  
Title: Non-Executive Director, Deputy Chair, Merchant Association Nomination (Appointed on 25/10/2022)  
Experience and expertise: Matthew is the CEO and a Director of KM WM Kelly & Sons a four generational grain merchant and storage family business based in the Southern Riverina of NSW. He has been involved in the grains industry for over 25 years and held a wide range of positions from Grower Accumulation, Storage, Logistics and Trading.  
Special responsibilities: Member of Membership Committee, Member of Dispute Resolution Service Committee, Member of Grain Standards Committee, Member of Transport, Storage & Port Committee

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Audit, finance and remuneration Committee		ESG Committee	
	<u>Attended</u>	<u>Held</u>	<u>Attended</u>	<u>Held</u>	<u>Attended</u>	<u>Held</u>
Andrew Goyder	8	9	6	9	2	2
Geoffrey Farnsworth	8	9	-	-	2	2
Michael Wood	8	9	-	-	2	2
Rob Imray	8	9	9	9	-	-
Matthew Kelly	5	7	-	-	-	-
Jason Craig	6	9	4	9	2	2
Lyndon Asser	7	9	-	-	1	2
Ole Houe	8	9	7	9	-	-
Michelle Kerr	7	9	-	-	2	2
Simon Tickner	9	9	-	-	1	2
Daniel Marsh	1	2	1	2	-	-
Richard Perkins	7	9	5	9	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

#### Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$100 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$28,700(2022: \$27,600), based on 287 (2022: 276) current ordinary members.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Andrew Goyder".

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Andrew Goyder  
Director

A handwritten signature in black ink, appearing to read "Robert Imray".

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Robert Imray  
Director

29 August 2023





#### LBW & Partners

Chartered Accountants & Business Advisors  
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#### Partners

Elias Y Bader

Rupa Dharmasiri

George P Rochios

Mark W Willock

## Grain Trade Australia Ltd

ABN: 70 979 095 411

## Auditor's Independence Declaration to the Directors of Grain Trade Australia Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Date: 29 August 2023

**Grain Trade Australia Ltd**  
**Statement of income and retained earnings**  
**For the year ended 30 June 2023**



	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Revenue</b>	<b>4</b>	<b>2,568,775</b>	<b>1,982,385</b>
Interest revenue		55,539	517
<b>Expenses</b>			
Direct expenses	5	(603,131)	(361,579)
Employee benefits expense		(721,445)	(713,550)
Depreciation on right-of-use assets	11	(74,952)	(74,952)
Consultancy and legal expenses		(141,903)	(177,625)
Travel and accommodation		(193,620)	(110,268)
Special projects		(185,623)	(240,000)
Other expenses		(272,074)	(172,722)
Finance costs	6	(4,618)	(7,345)
Total expenses		<u>(2,197,366)</u>	<u>(1,858,041)</u>
<b>Surplus before income tax expense</b>		<b>426,948</b>	<b>124,861</b>
Income tax expense		<u>-</u>	<u>-</u>
<b>Surplus after income tax expense for the year</b>		<b>426,948</b>	<b>124,861</b>
Retained earnings at the beginning of the financial year		<u>1,643,579</u>	<u>1,518,718</u>
<b>Retained earnings at the end of the financial year</b>		<u><b>2,070,527</b></u>	<u><b>1,643,579</b></u>

*The above statement of income and retained earnings should be read in conjunction with the accompanying notes*

**Grain Trade Australia Ltd**  
**Statement of financial position**  
**As at 30 June 2023**



	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	587,711	1,137,708
Trade receivables		286,743	341,334
Contract assets	9	46,967	37,008
Other financial assets		2,351,247	1,329,800
Other current assets	10	189,672	64,832
Total current assets		<u>3,462,340</u>	<u>2,910,682</u>
<b>Non-current assets</b>			
Right-of-use assets	11	81,199	156,151
Total non-current assets		<u>81,199</u>	<u>156,151</u>
<b>Total assets</b>		<u>3,543,539</u>	<u>3,066,833</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	194,130	215,657
Contract liabilities	13	1,027,993	887,465
Lease liabilities	14	87,283	80,918
Employee benefits	15	119,070	120,748
Total current liabilities		<u>1,428,476</u>	<u>1,304,788</u>
<b>Non-current liabilities</b>			
Lease liabilities	14	7,709	94,992
Employee benefits	15	36,827	23,474
Total non-current liabilities		<u>44,536</u>	<u>118,466</u>
<b>Total liabilities</b>		<u>1,473,012</u>	<u>1,423,254</u>
<b>Net assets</b>		<u>2,070,527</u>	<u>1,643,579</u>
<b>Equity</b>			
Retained earnings		<u>2,070,527</u>	<u>1,643,579</u>
<b>Total equity</b>		<u>2,070,527</u>	<u>1,643,579</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Grain Trade Australia Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2023**



	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,006,303	2,484,546
Payments to suppliers and employees (inclusive of GST)		(2,477,710)	(1,784,015)
Interest received		21,641	517
Interest on leases		(4,618)	(7,345)
Net cash from operating activities		<u>545,616</u>	<u>693,703</u>
<b>Cash flows from investing activities</b>			
Investment in term deposits		<u>(1,014,695)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,014,695)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<u>(80,918)</u>	<u>(74,900)</u>
Net cash used in financing activities		<u>(80,918)</u>	<u>(74,900)</u>
Net increase/(decrease) in cash and cash equivalents		(549,997)	618,803
Cash and cash equivalents at the beginning of the financial year		<u>1,137,708</u>	<u>518,905</u>
Cash and cash equivalents at the end of the financial year	<b>7</b>	<u><u>587,711</u></u>	<u><u>1,137,708</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. General information

The financial statements cover Grain Trade Australia Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Grain Trade Australia Ltd's functional and presentation currency.

Grain Trade Australia Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7  
12 O'Connell Street  
Sydney NSW 2000

The company is the focal point for the commercial grains industry within Australia. The company facilitates trade and works to provide an efficient, equitable and open trading environment by providing leadership, advocacy and commercial services to the Australian grain value chain. The principal activities of the company during the financial year were focused on the provision of services and products to 'facilitate trade'. These are referred to as 'core activities' and include.

- development, review and publication of grain trading standards for the Australian grain industry;
- development, review and publication of contracts and trade rules;
- conduct of a Dispute Resolution Service;
- conduct of a training and development program;
- development, review and publication of the Australian Grain Industry Code of Practice; and
- actively engaging in trade and market access activities.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2023.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* issued by the Australian Accounting Standards Board ('AASB'), the *Corporations Act 2001* and associated regulations, as appropriate for not-for profit oriented entities.

### Historical cost convention

The financial statements have been prepared under the historical cost convention and on an accruals basis.

## Note 2. Significant accounting policies (continued)

### Revenue recognition

The company recognises its revenue in accordance with the following key accounting standards:

#### *Revenue from contracts with customers (AASB 15)*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as the performance obligations are satisfied within a period of less than 12 months from the receipt of funds.

#### Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB1058)

Where the company receives any asset, including cash, from transactions where there are no sufficiently specific performance obligations income is recognised at the fair value of the asset when such asset is received. The company considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Revenue recognition policy for principal revenue sources of the company are as follows:

#### *Member subscriptions*

The members of the company are drawn from all sectors of the grain value chain from production to domestic end users and exporters. For the purpose of calculation of membership subscriptions, members are categorised into various groups based on their role within the grain trade industry including grain traders, transport operators, brokers, corporate and industry association etc. Annual membership subscription is determined by the company's board based on the category of membership and certain parameters such as trade volume, number of employees or a flat rate.

Renewals are due each financial year in July. Any member joining during the year are subjected to pro-rated fees based on number of days from the date of joining to the end of the relevant financial year.

Revenue from membership subscriptions are recorded as income on a straight line basis over the period of the membership.

#### *Conference and events revenue*

The company holds a number of conferences and events each year with major events being the Australian Grain Industry Conferences.

Conferences can either be a live face-to-face event or a virtual or hybrid event. Conference and events revenue include delegate registrations, sponsorships and exhibition booth hire charges. Registrations generally start ahead of the event date and as such receipts from delegates, sponsors and exhibitors are held as 'contract liabilities' in the statement of financial position. The revenue is brought to account as income once the event is held.

## Note 2. Significant accounting policies (continued)

### *Arbitration fees*

The company provides arbitration services to its member entities and others by charging certain fees and associated costs to the parties involved. The standard fees include filing fee, administration fee and process fee which are fixed amounts determined by the company's board from time to time. The fees are payable in advance.

Filing and administration fees are non-refundable. Filing fees are recognised as revenue at the time of receipt. Admin and Process fees are initially recognised as contract liabilities in the statement of financial position as 'contract liabilities' and taken to revenue upon settlement of the arbitration case. Process fee is refundable under certain circumstances and are derecognised in cases where a refund is made.

Costs associated with unsettled arbitration cases are recorded as 'contract assets' in the statement of financial position. The costs are charged to profit or loss once the related arbitration case is settled.

### *Project grants*

The company receives a number of grants from different sources including Australian Government departments to conduct certain project activities in relation to the industry. Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input method being costs or time incurred is deemed to be the most appropriate methods to reflect the transfer of benefit.

### *Training and development program*

The company conducts trainings and workshop sessions throughout the year on various topics relating to the grain trade industry. Registration fees are fixed amounts determined by the company and can vary based on whether the participant is a member or not, the number of days covered by the training and the mode of training delivery i.e. face-to-face or through a virtual session. Registration fees invoiced or received in advance for trainings to be held at future dates are recorded as 'contract liabilities' and recognised as revenue once the training is held.

### **Income tax**

As the company is established for the purpose of promoting the development of agricultural resources in terms of subsection 50-40 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions. Deposits with maturities of over 90 days are considered 'Other financial assets'.

### **Contract assets**

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

## **Note 2. Significant accounting policies (continued)**

### **Leases**

Where the company is a lessee under a lease agreement, at the inception of the lease a right-of-use asset and corresponding lease liability is recognised at the commencement date of a lease.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or assets.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### **Financial instruments**

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.



## **Note 2. Significant accounting policies (continued)**

### **a) Financial assets**

The company's financial assets in the Statement of financial position comprise of cash and cash equivalents, trade receivables and term deposits held with banks.

These assets are measured at amortised cost. Assets are measured at amortised cost when the business model is to hold assets to collect contractual cash flows; and the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

### **b) Financial liabilities**

The company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the company comprise trade and other payables and lease liabilities.

### **c) Impairment of financial assets**

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivables and contract assets and multiplied this by the amount of the expected loss arising from default.

## **Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### ***Allowance for expected credit losses***

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### ***Employee benefits provision***

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### ***Grants for special projects***

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under AASB 15 based on the company's assessment of the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

#### Note 4. Revenue

	2023 \$	2022 \$
<i>Revenue from contracts with customers:</i>		
Member subscription	1,129,161	960,828
Conferences and events	924,239	414,598
Grants for special projects	172,790	191,900
Training and development program	263,207	193,194
Arbitration	64,008	213,736
Publications	15,370	8,129
	<u>2,568,775</u>	<u>1,982,385</u>
Revenue		

#### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	2023 \$	2022 \$
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	1,266,824	829,657
Services transferred over time	1,301,951	1,152,728
	<u>2,568,775</u>	<u>1,982,385</u>

#### Note 5. Direct expenses

	2023 \$	2022 \$
Conferences and events	485,813	195,304
Training and development program	71,271	45,416
Arbitration	43,657	112,043
Publications	2,390	8,816
	<u>603,131</u>	<u>361,579</u>

#### Note 6. Expenses

	2023 \$	2022 \$
Surplus before income tax includes the following specific expenses:		
<i>Leases</i>		
Variable lease payments not included in the measurement of lease liabilities	<u>4,017</u>	<u>4,911</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>67,241</u>	<u>64,112</u>

**Note 7. Cash and cash equivalents**

	2023 \$	2022 \$
<i>Current assets</i>		
Cash on hand	500	500
Cash at bank	587,211	1,137,208
	<u>587,711</u>	<u>1,137,708</u>

**Note 8. Trade receivables**

	2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	<u>286,743</u>	<u>341,334</u>

**Note 9. Contract assets**

	2023 \$	2022 \$
<i>Current assets</i>		
Contract assets - arbitration cases in progress	46,967	17,218
Contract assets - special project grants	-	19,790
	<u>46,967</u>	<u>37,008</u>

**Note 10. Other current assets**

	2023 \$	2022 \$
<i>Current assets</i>		
Accrued interest	27,146	-
Conference prepayments	160,206	63,866
Other prepayments	2,320	966
	<u>189,672</u>	<u>64,832</u>

**Note 11. Right-of-use assets**

	2023 \$	2022 \$
<i>Non-current assets</i>		
Office premises - right-of-use	380,963	380,963
Less: Accumulated depreciation	(299,764)	(224,812)
	<u>81,199</u>	<u>156,151</u>

The company leases premises for its office under an agreement of 5 years which expires in August 2024 with no option to extend. The lease has a fixed annual increase of 4% in the lease payments. In July 2023, the company surrendered this lease with effect from August 2023 and signed a new lease. Refer note 23 for further details.

## Note 11. Right-of-use assets (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office premises - right-of-use \$	Total \$
Balance at 1 July 2022	156,151	156,151
Depreciation expense	(74,952)	(74,952)
Balance at 30 June 2023	<u>81,199</u>	<u>81,199</u>

## Note 12. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	67,259	92,444
Accrued expenses	96,721	87,390
GST payable	7,913	11,477
Other payables	22,237	24,346
	<u>194,130</u>	<u>215,657</u>

## Note 13. Contract liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Contract liabilities - arbitrations	238,389	267,205
Contract liabilities - conferences	586,796	464,427
Contract liabilities - special project grants	174,777	138,000
Contract liabilities - others	2,041	2,041
Contract liabilities - training & development programs	25,990	15,792
	<u>1,027,993</u>	<u>887,465</u>

#### Note 14. Lease liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability - Office lease	87,283	80,918
<i>Non-current liabilities</i>		
Lease liability - Office lease	7,709	94,992
	<u>94,992</u>	<u>175,910</u>
<i>Future lease payments</i>		
Undiscounted future lease payments are due as follows:		
Within one year	88,956	85,535
One to five years	7,710	96,666
	<u>96,666</u>	<u>182,201</u>

In July 2023, the company surrendered this lease with effect from August 2023 and signed a new lease. Refer note 23 for further details.

#### Note 15. Employee benefits

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	119,070	120,748
<i>Non-current liabilities</i>		
Long service leave	36,827	23,474
	<u>155,897</u>	<u>144,222</u>

#### Note 16. Key management personnel disclosures

##### Compensation

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

	2023 \$	2022 \$
Aggregate compensation	<u>378,946</u>	<u>360,323</u>

#### Note 17. Related party transactions

##### Key management personnel

Disclosures relating to key management personnel are set out in note 16.

##### Transactions with related parties

Mr. Geoff Farnsworth, a director of the company is also a partner in the firm of Holding Redlich. Holding Redlich has provided legal and other services to the company on normal commercial terms and conditions. During the year total fees amounting to \$78,068 was paid to Holding Redlich (2022: \$152,405). During the year, the company received membership/sponsorship fees of \$7,573 (2022: \$5,910) from Holding Redlich.

## Note 17. Related party transactions (continued)

### *Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023 \$	2022 \$
Current payables:		
Trade payables to director related entity	25,822	3,929

### *Loans to/from related parties*

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

### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 18. Financial instruments

	2023 \$	2022 \$
<b>Financial assets</b>		
<i>Held at amortised cost:</i>		
Cash and cash equivalents	587,711	1,137,708
Trade receivables	286,743	341,334
Other financial assets - term deposits	2,351,247	1,329,800
	<u>3,225,701</u>	<u>2,808,842</u>
	2023 \$	2022 \$
<b>Financial liabilities</b>		
<i>Held at amortised cost:</i>		
Trade and other payables	194,130	215,657
Lease liabilities	94,992	175,910
	<u>289,122</u>	<u>391,567</u>

#### Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW & Partners, the auditor of the company:

	2023 \$	2022 \$
<i>Audit services - LBW &amp; Partners</i>		
Audit of the financial statements	14,000	13,500
<i>Other services - LBW &amp; Partners</i>		
Taxation services	1,000	2,000
Assistance in preparation of financial statements	1,500	1,500
	2,500	3,500
	16,500	17,000

#### Note 20. Members' guarantee

The company is incorporated under the *Corporations Act 2001* as a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 30 June 2023 the number of members was 287 (2022: 276).

#### Note 21. Contingent liabilities

The company has given bank guarantees as at 30 June 2023 of \$29,800 (2022: \$29,800) in relation to its performance under the office premises lease. This is secured by a term deposit of equivalent amount.

#### Note 22. Commitments

The company did not have any capital commitments as at 30 June 2023 (30 June 2022: None).

#### Note 23. Events after the reporting period

In July 2023 the company surrendered its existing office lease which was originally due to end in August 2024 and signed a lease agreement for a new office space within the same building with the same landlord. There were no termination costs incurred for surrender of the existing lease. The new lease will commence from August 2023 with a three year term and an option to renew for further 3 years. The initial lease payment is \$4,583.33 per month with annual 4% increases commencing on the first anniversary date. Upon commencement of the new lease, the company will remeasure its lease liability and right-of-use asset balances under the existing lease.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the *Australian Accounting Standards - Simplified Disclosures*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Andrew Goyder".

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Andrew Goyder  
Director

A handwritten signature in black ink, appearing to read "Robert Imray".

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Robert Imray  
Director

29 August 2023



**LBW & Partners**

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**Grain Trade Australia Limited**

ABN: 70 979 095 411

## Independent Auditors' Report to the members of Grain Trade Australia Limited

### Opinion

We have audited the accompanying financial report of Grain Trade Australia Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of income and retained earnings and the statement of cash flows for the year then ended, and notes to the financial report, 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:

- giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- complying with *Australian Accounting Standards – Simplified Disclosures*, 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 (including independence standards) (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.

### Responsibilities of 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 the *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001*.

The directors' responsibility also includes for such internal control as the directors determine necessary to enable the preparation of a 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 company's ability 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.



**Grain Trade Australia Limited**  
ABN: 70 979 095 411

## **Independent Auditors' Report to the members of Grain Trade Australia Limited**

### **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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



**Grain Trade Australia Limited**  
ABN: 70 979 095 411

## **Independent Auditors' Report to the members of Grain Trade Australia Limited**

### **Auditor's Responsibilities for the Audit of the Financial Report (continued)**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rupaninga Dharmasiri  
Partner

LBW & Partners  
Chartered Accountants  
Level 3, 845 Pacific Highway  
CHATSWOOD NSW 2067

Date: 30 August 2023