

Grain Trade Australia Ltd

ABN 70 979 095 411

Financial Statements - 30 June 2024

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The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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	Michelle Elizabeth Kerr
Geoffrey Eric Farnsworth	Matthew Francis Kelly
Michael Andrew Wood	Brianna Kaye Peake (Appointed on 31/10/2023)
Robert Imray	Simon Gellert (Appointed on 31/10/2023)
Richard Andre Allerton Perkins	Lyndon Eric Asser (Resigned on 31/10/2023)
Ole Houe	Jason Craig (Resigned on 30/08/2023)
Simon Arthur Tickner	

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

Australia has produced yet another record-breaking crop of 72 million metric tons, following two consecutive record crops. The ongoing international conflicts and resulting food insecurity in importing nations, combined with the export supply chain's task of managing three consecutive years of record production, have led to significant challenges and price volatility for the industry.

Grain Trade Australia in its 32nd year of operation has supported its members and industry through the provision of key services including training, arbitration, conferences (AGIC Australia and AGIC Asia), and industry updates. GTA facilitated trade through this period through its framework and suite of tools and services it provides to industry including Technical Committees, Sector Councils, Trading Standards, Trade Rules, contracts, industry stewardship and a Dispute Resolution system.

Stewardship efforts included training programs and industry conferences both locally and internationally. One notable event, the National Grain Storage Protection Conference facilitated by GTA, celebrated its 51st year in a hybrid format, offering both in-person and online participation.

GTA released its Australia's Supply Chain Environmental, Social & Governance (ESG) Credentials an important tool for industry given the increasing focus on agriculture and its social licence.

GTA continues to work collaboratively with Government and is leading a number of major industry/government supply chain improvement projects. The supply chain will continue its growth whilst facing increasingly complex challenges including the current world tension and trade impacts. GTA will continue to respond and adapt in meeting the needs of its members and to facilitate trade.

Surplus/deficit for the year

The company has generated a surplus of \$625,511 this year (2023: \$426,948). The following factors contributed to this:

- Higher production levels and consequently stronger supply chain throughput have generated buoyant industry conditions in 2023/24.
- 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.

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 has 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 Eric 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 Andrew 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 has 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, a Director of Green Pool Commodity Specialists 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, Chair of Plant Breeding & Innovation Committee

Name: Brianna Kaye Peake
Title: Non-executive Director, Ordinary level A nomination
Qualifications: Advanced Management Program, Harvard Business School
Graduate of the Australian Institute of Company Directors
Fellow of the Australian Rural Leadership Foundation
Bachelor of Science in Natural Resource Management
Graduate Certificate in Corporate Finance
Experience and expertise: Brianna has a strong affiliation with the agriculture and regional development sectors, growing up in the Wheatbelt of Western Australia, and with over 20 years' experience in the industry.
She is currently the Chief of Stakeholder Relations, Sustainability, and Strategy at the CBH Group; Australia's largest grain exporter and grower-owned co-operative, with a supply chain that spans the grain-growing regions of Western Australia. In this role, she manages the Group's reputation and relationships with its grower members, Government, industry, and the communities in which it operates, as well as the Group's sustainability and strategy portfolios.
She is also a Commissioner on the Lotterywest Board and a General Councillor of the Chamber of Commerce and Industry WA.
Special responsibilities: Chair of Trade & Market Access Committee, Member of Membership Committee, Member of Environment, Social & Governance Committee

Name: Simon Gellert
Title: Non-executive Director, Ordinary level A nomination
Qualifications: Bachelor of Agricultural Science, Bachelor of Business (International Finance), Masters in Applied Finance and completed Australian Institute of Company Directors course - GAICD
Experience and expertise: Simon started his career in the Australian grains industry in 2006 and has held various roles in accumulation, logistics and domestic and international trading. Simon is currently the Grains Trading Manager for Viterra in Australia and New Zealand and has been a member of their Executive team since 2019. Actively involved in various industry groups with a strong focus on wheat, Simon previously sat on the WQA Wheat Council and is a current member of the GIWA Wheat Council since 2018.
Special responsibilities: Member, GTA Commerce Committee, Member of Audit, Finance & Remuneration Committee, Member of AGECC Sector Council

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: Simon Arthur 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 Membership Committee, Member of Environment, Social & Governance Committee

Name: Michelle Elizabeth 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, Member of Dispute Resolution Service Committee, Member of Audit, Finance & Remuneration Committee

Name: Richard Andre Allerton Perkins
Title: Non-Executive Director, Ordinary Level B nomination
Qualifications: Bachelor in Agricultural Systems, a Graduate Certificate in Applied Finance and has completed the Australian Institute of Company Directors course
Experience and expertise: Richard Perkins has been working in the Australian grains industry for a range of Australian and international trading companies for over 20 years. Richard hails from Walgett in Northern NSW and began his career with Agracom before moving to Melbourne with a European company managing the export trading of grains and oilseeds. He then helped set up the Australian trading arm of US Based Co-op CHS where he finished as the Trading Manager before moving to Market Check where he oversaw the grower advisory team and growth strategy of the business. Richard is currently the Managing Director of Greenoaks Agriculture, a grain marketing consultant and broker working with a range of participants along the grain supply chain.
Special responsibilities: Chair of Information Technology Committee, Member of Audit, Finance & Remuneration, Member of Information Technology Advisory Committee, Member of Dispute Resolution Service Committee

Name: Matthew Francis Kelly
Title: Non-Executive Director, Deputy Chair, Merchant Association Nomination
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 2024, and the number of meetings attended by each director were:

	Full Board		Audit, finance and remuneration Committee		ESG Committee	
	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>	<i>Held</i>
Andrew Goyder	5	8	5	7	2	2
Geoffrey Eric Farnsworth	5	8	-	-	2	2
Michael Andrew Wood	7	8	-	-	2	2
Robert Imray	8	8	6	7	-	-
Matthew Francis Kelly	8	8	-	-	-	-
Jason Craig	1	1	1	1	-	-
Lyndon Eric Asser	2	2	-	-	1	1
Ole Houe	7	8	5	7	-	-
Michelle Elizabeth Kerr	8	8	5	7	-	-
Simon Arthur Tickner	6	8	-	-	-	-
Richard Andre Allerton Perkins	7	8	5	7	-	-
Brianna Kaye Peake	5	6	-	-	-	1
Simon Gellert	6	6	5	5	-	-

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 \$28,900 (2023: \$28,700), based on 289 (2023: 287) 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

Handwritten signature of Andrew Goyder in black ink.

Andrew Goyder
Director

Handwritten signature of Robert Imray in black ink.

Robert Imray
Director

30 August 2024



LBW & Partners

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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 2024, 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: 30 August 2024

Grain Trade Australia Ltd
Statement of income and retained earnings
For the year ended 30 June 2024



	Note	2024 \$	2023 \$
Revenue	3	3,060,243	2,568,775
Interest revenue		126,487	55,539
Expenses			
Direct expenses	4	(850,478)	(603,131)
Employee benefits expense		(875,757)	(721,445)
Depreciation on right-of-use assets	10	(50,118)	(74,952)
Rent outgoings		(4,986)	-
Consultancy and legal expenses		(115,100)	(141,903)
Travel and accommodation		(199,417)	(193,620)
Special projects		(161,337)	(185,623)
Other expenses		(286,294)	(272,074)
Finance costs	5	(17,732)	(4,618)
Total expenses		<u>(2,561,219)</u>	<u>(2,197,366)</u>
Surplus before income tax expense		625,511	426,948
Income tax expense		-	-
Surplus after income tax expense for the year		625,511	426,948
Retained earnings at the beginning of the financial year		<u>2,070,527</u>	<u>1,643,579</u>
Retained earnings at the end of the financial year		<u><u>2,696,038</u></u>	<u><u>2,070,527</u></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 2024



	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	708,797	587,711
Trade receivables		324,016	286,743
Contract assets		37,910	46,967
Other financial assets	8	3,131,736	2,378,393
Prepayments	9	301,335	162,526
Total current assets		<u>4,503,794</u>	<u>3,462,340</u>
Non-current assets			
Right-of-use assets	10	243,292	81,199
Total non-current assets		<u>243,292</u>	<u>81,199</u>
Total assets		<u>4,747,086</u>	<u>3,543,539</u>
Liabilities			
Current liabilities			
Trade and other payables	11	191,036	194,130
Contract liabilities	12	1,438,757	1,027,993
Lease liabilities	13	40,706	87,283
Employee benefits	14	110,136	119,070
Total current liabilities		<u>1,780,635</u>	<u>1,428,476</u>
Non-current liabilities			
Lease liabilities	13	218,102	7,709
Employee benefits	14	52,311	36,827
Total non-current liabilities		<u>270,413</u>	<u>44,536</u>
Total liabilities		<u>2,051,048</u>	<u>1,473,012</u>
Net assets		<u>2,696,038</u>	<u>2,070,527</u>
Equity			
Retained earnings		<u>2,696,038</u>	<u>2,070,527</u>
Total equity		<u>2,696,038</u>	<u>2,070,527</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 2024



	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,683,134	3,006,303
Payments to suppliers and employees (inclusive of GST)		(2,854,801)	(2,477,710)
Interest received		45,998	21,641
Interest on leases		(17,732)	(4,618)
		<u>856,599</u>	<u>545,616</u>
Net cash from operating activities			
Cash flows from investing activities			
Investment in term deposits		(700,000)	(1,014,695)
		<u>(700,000)</u>	<u>(1,014,695)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Repayment of lease liabilities		(35,513)	(80,918)
		<u>(35,513)</u>	<u>(80,918)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		121,086	(549,997)
Cash and cash equivalents at the beginning of the financial year		587,711	1,137,708
		<u>587,711</u>	<u>1,137,708</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>708,797</u></u>	<u><u>587,711</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
12-14 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 30 August 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, 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.

The following amendments to Accounting Standards is most relevant to the company:

The company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or assumption
- Relates to a complex transaction and is required to explain the treatment to the user

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 accrual basis.

Note 2. Material accounting policy information (continued)

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 to 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 within the next financial year have been described in relevant notes.

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.

Note 3. Revenue

	2024 \$	2023 \$
<i>Revenue from contracts with customers:</i>		
Member subscription	1,298,716	1,129,161
Conferences and events	1,160,997	924,239
Grants for special projects	219,506	172,790
Training and development program	286,260	263,207
Arbitration	65,017	64,008
Publications	29,747	15,370
Revenue	<u>3,060,243</u>	<u>2,568,775</u>

Disaggregation of revenue

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

	2024 \$	2023 \$
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	1,542,021	1,266,824
Services transferred over time	1,518,222	1,301,951
	<u>3,060,243</u>	<u>2,568,775</u>

Note 3. Revenue (continued)

Accounting policy for 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 (AASB 1058)

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 on the basis of the membership category 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 a 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 3. Revenue (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 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 is 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.

Key judgements applied in revenue - recognition of grant income

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. Direct expenses

	2024 \$	2023 \$
Conferences and events	687,601	485,813
Training and development program	92,486	71,271
Arbitration	50,590	43,657
Publications	19,801	2,390
	<u>850,478</u>	<u>603,131</u>

Note 5. Expenses

	2024 \$	2023 \$
Surplus before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid on lease liabilities	17,732	4,618
<i>Leases</i>		
Variable lease payments not included in the measurement of lease liabilities	4,986	4,017
<i>Superannuation expense</i>		
Defined contribution superannuation expense	92,154	67,241

Note 6. Cash and cash equivalents

	2024 \$	2023 \$
<i>Current assets</i>		
Cash on hand	500	500
Cash at bank	708,297	587,211
	<u>708,797</u>	<u>587,711</u>

Accounting policy for 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 classified as 'Other financial assets'.

Note 7. Trade receivables

	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	324,016	286,743

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Key judgement and estimates applied in trade receivables - 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.

Note 8. Other financial assets

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits	<u>3,131,736</u>	<u>2,378,393</u>

Term deposits include \$29,800 (2023: \$29,800) held by the bank as a security for the performance by the company under its office premises lease.

Note 9. Prepayments

	2024 \$	2023 \$
<i>Current assets</i>		
Conference prepayments	293,211	160,206
Other prepayments	8,124	2,320
	<u>301,335</u>	<u>162,526</u>

Note 10. Right-of-use assets

	2024 \$	2023 \$
<i>Non-current assets</i>		
Office premises - right-of-use	287,164	380,963
Less: Accumulated depreciation	<u>(43,872)</u>	<u>(299,764)</u>
	<u>243,292</u>	<u>81,199</u>

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 was no early termination cost incurred for surrender of the existing lease and the carrying value of right of use asset of old lease was written off on the surrender date. The new lease is for a three-year term commencing in August 2023 with an option to renew for further 3 years. Lease payments are subject to annual 4% increase commencing on the first anniversary date.

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 \$
Balance at 1 July 2023	81,199
Additions	287,164
Write off of assets	(74,953)
Depreciation expense	<u>(50,118)</u>
Balance at 30 June 2024	<u>243,292</u>

Note 10. Right-of-use assets (continued)

Accounting policy for right-of-use assets

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, 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. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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.

The company has chosen not to apply AASB 16 to leases of intangible assets.

AASB 16 lease-related disclosures

For other AASB 16 lease-related disclosures:

- Refer note 5 for details on interest on lease liabilities and variable lease payments;
- Refer note 13 for details on lease liabilities at the beginning and end of the reporting period and maturity analysis; and,
- Refer statement of cash flows for repayment of lease liabilities.

Key estimates applied in leases - Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 11. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	25,411	67,259
Accrued expenses	101,448	96,721
GST payable	36,896	7,913
Other payables	27,281	22,237
	<u>191,036</u>	<u>194,130</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 12. Contract liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Contract liabilities - arbitrations	162,509	238,389
Contract liabilities - conferences	618,295	586,796
Contract liabilities - special project grants	626,569	174,777
Contract liabilities - others	-	2,041
Contract liabilities - training & development programs	31,384	25,990
	<u>1,438,757</u>	<u>1,027,993</u>

Accounting policy for contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Note 13. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Lease liability - Office lease	<u>40,706</u>	<u>87,283</u>
<i>Non-current liabilities</i>		
Lease liability - Office lease	<u>218,102</u>	<u>7,709</u>
	<u>258,808</u>	<u>94,992</u>
<i>Future lease payments</i>		
Undiscounted future lease payments are due as follows:		
Within one year	57,200	88,956
One to five years	<u>250,548</u>	<u>7,710</u>
	<u>307,748</u>	<u>96,666</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. 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.

Note 14. Employee benefits

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	110,136	119,070
<i>Non-current liabilities</i>		
Long service leave	52,311	36,827
	<u>162,447</u>	<u>155,897</u>

Accounting policy for 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.

Key estimates and assumptions applied in employee benefit provision

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.

Note 15. Key management personnel disclosures

Compensation

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

	2024 \$	2023 \$
Aggregate compensation	<u>414,753</u>	<u>378,946</u>

Note 16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

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 \$58,404 was paid to Holding Redlich (2023: \$78,068). During the year, the company received membership/sponsorship fees of \$5,000 (2023: \$7,573) from Holding Redlich.

Note 16. 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:

	2024 \$	2023 \$
Current payables:		
Trade payables to director related entity	8,024	25,822

Loans to/from related parties

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

Note 17. Financial instruments

	2024 \$	2023 \$
Financial assets		
<i>Held at amortised cost:</i>		
Cash and cash equivalents	708,797	587,711
Trade receivables	324,016	286,743
Other financial assets - term deposits	3,131,736	2,378,393
	<u>4,164,549</u>	<u>3,252,847</u>

	2024 \$	2023 \$
Financial liabilities		
<i>Held at amortised cost:</i>		
Trade and other payables	191,036	194,130
Lease liabilities	258,808	94,992
	<u>449,844</u>	<u>289,122</u>

Accounting policy for 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.

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.

Note 17. Financial instruments (continued)

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 18. 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:

	2024 \$	2023 \$
<i>Audit services - LBW & Partners</i>		
Audit of the financial statements	14,500	14,000
<i>Other services - LBW & Partners</i>		
Taxation services	1,100	1,000
Assistance in preparation of financial statements	1,550	1,500
Others	500	-
	<u>3,150</u>	<u>2,500</u>
	<u><u>17,650</u></u>	<u><u>16,500</u></u>

Note 19. 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 2024 the number of members was 289 (2023: 287).

Note 20. Contingent liabilities

The company has given bank guarantees as at 30 June 2024 of \$29,800 (2023: \$29,800) in relation to its performance under the office premises lease. This is secured by a term deposit of equivalent amount.

Note 21. Commitments

The company did not have any commitments as at 30 June 2024 (30 June 2023: None).

Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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.

Grain Trade Australia Ltd does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.



Andrew Goyder
Director



Robert Imray
Director

30 August 2024

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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 cursive script, appearing to read "Andrew Goyder".

Andrew Goyder
Director

A handwritten signature in cursive script, appearing to read "Robert Imray".

Robert Imray
Director

30 August 2024



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 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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:

- a) the financial report that gives a true and fair view in accordance with the *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine necessary to enable the preparation of:

- i) a financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct 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

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.

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 2024