90 harvests strong

Annual Report 2023

CBH GROUP

EST. 1933 90 HARVESTS STRONG

We acknowledge the Traditional Owners of the land on which our co-operative operates and where we come together to work and live. We recognise Aboriginal and Torres Strait Islander spiritual and cultural connection to the land and waterways. We pay our respects to Elders past and present.

EST. 1933

90

HARVESTS

STRONG

90 years of growth, together

This year we celebrate 90 years of Co-operative Bulk Handling Limited (CBH). We pay tribute to the early pioneers who formed the co-operative, and to all Western Australian grain growers who have contributed to this remarkable history. We are proud to be Australia's largest co-operative and a leader in the Australian grain industry – dedicated to sustainably creating and returning value to Western Australian grain growers now, and in the future.

Cover image: Thank you to the
De Landgrafft family from Dunn Rock

About this report

Welcome to our 2023 Annual Report – the 90th anniversary edition.

This is an integrated report that highlights the achievements and challenges of Co-operative Bulk Handling Limited (CBH) during the past financial year (year ended 30 September 2023).

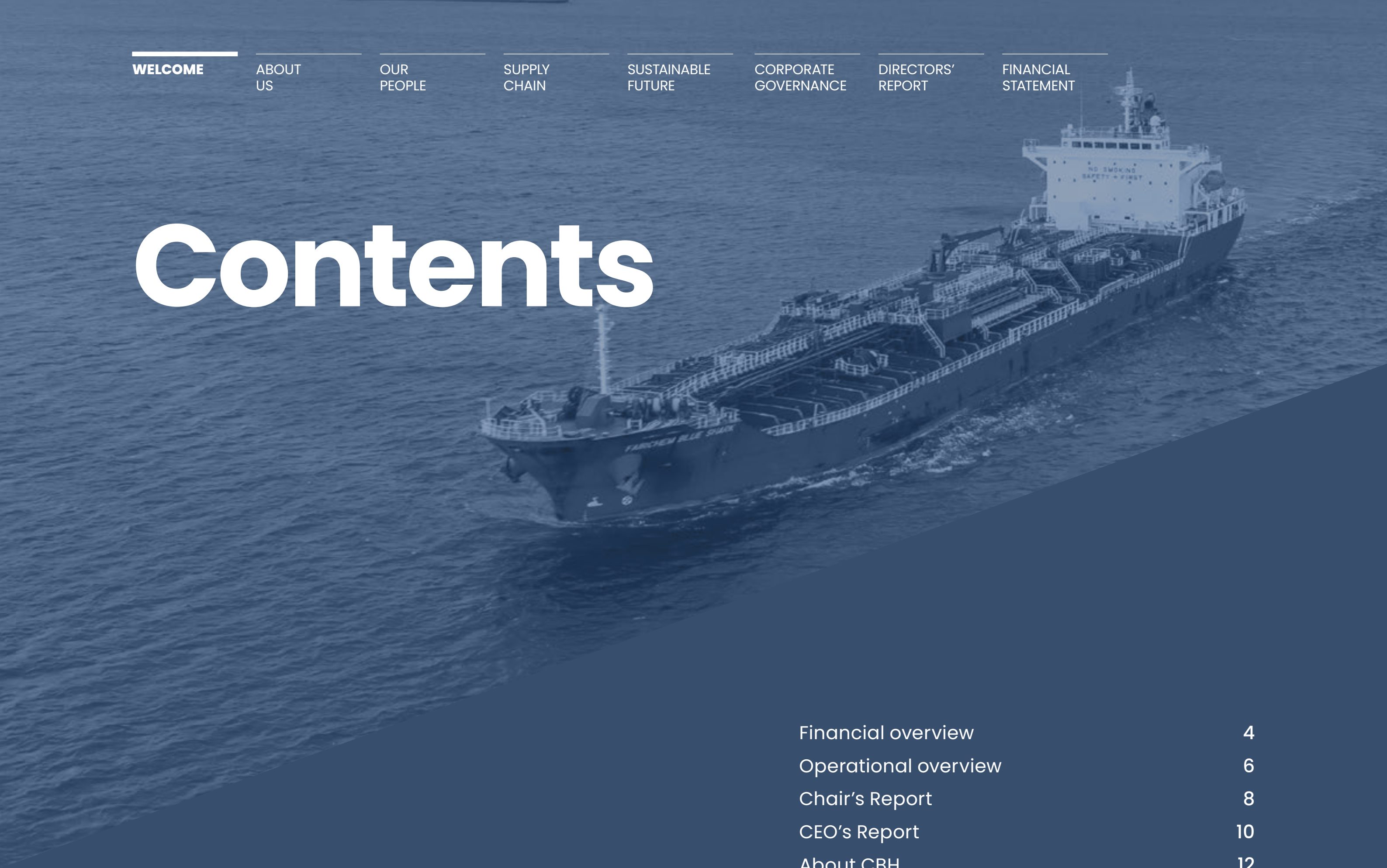
This Annual Report highlights our operational, social, environmental and financial performance, focusing on what is of interest to our grower-members and stakeholders.

Throughout the report we have included stories and anecdotes from our people and grain growers – all of whom have contributed to the growth and strength of the co-operative. These sections are identified by our 90th logo throughout the report.

If you are reading this report online, you will notice enhanced digital features and improved navigation options to improve ease of reading.

Please note that throughout the front half of the report, our reported figures have been rounded to one decimal point.

We hope you enjoy reading this year's Annual Report – reflecting on a mighty legacy, the year that has been, and how this positions us for the years to come.



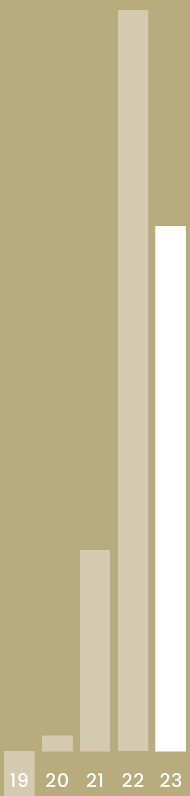
Contents

Financial overview

The 2022/23 financial year placed CBH in a strong financial position, driven by back-to-back record crops and elevated export prices.

$353.3m ↘

TOTAL SURPLUS MINUS FRANKING CREDITS



SURPLUS

YEAR	$M
2023	353
2022	498
2021	134
2020	11
2019	(30)

$572.7m

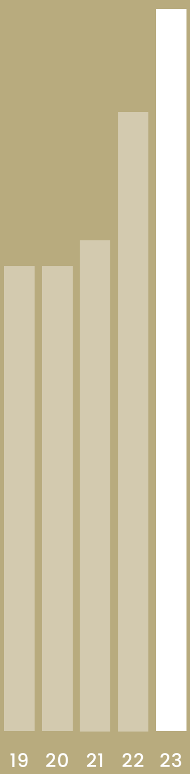
INVESTED IN THE NETWORK

$2.8b ↗

EQUITY

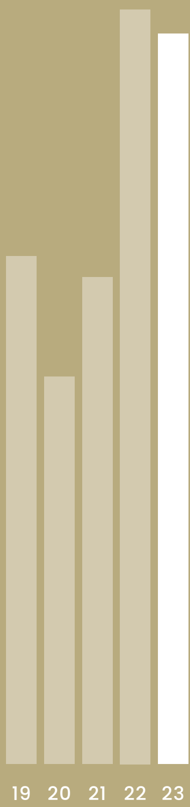
$6.0b ↘

REVENUE



EQUITY

YEAR	$B
2023	2.8
2022	2.4
2021	1.9
2020	1.8
2019	1.8



REVENUE

YEAR	$B
2023	6.0
2022	6.2
2021	4.0
2020	3.2
2019	4.2

Operational overview

Almost 100 harvest site records were set across the network and countless others across the co-operative.

It was a year of many records for Western Australia's grain industry.

At the start of the season, as we headed into another record harvest, the CBH team was continuing to outturn the previous record crop and, in the end, moved a then record 18.1 million tonnes out of our supply chain.

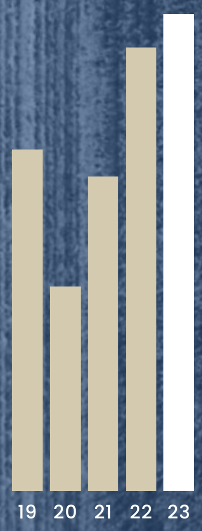
Running in parallel to this, the team built an additional 2.3 million tonnes of temporary storage to make way for the record 22.9 million tonnes Western Australian growers delivered to CBH sites throughout harvest.

The strong demand for WA grain, coupled with the extraordinary organisational muscle of the team, resulted in a new annual outturn record of 21.9 million tonnes. This demonstrates the strong operational performance of the co-operative.

Our focus remains on preparing not only for the highs of increasing crop sizes, but also for the lows, so that we can continue to sustainably create and return value to growers.

22.9m tonnes

DELIVERED INTO THE CBH NETWORK (2022: 21.3M TONNES)

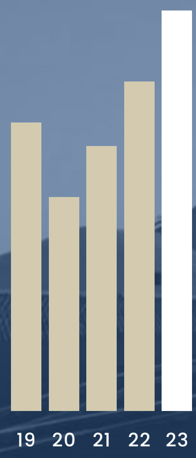


GRAIN RECEIVED INTO THE NETWORK

YEAR	MILLION TONNES
2023	22.9
2022	21.3
2021	15.1
2020	9.8
2019	16.4

21.9m tonnes

MOVED OUT OF OUR SUPPLY CHAIN (2022: 18.1M TONNES)



GRAIN DELIVERED TO OUR CUSTOMERS

YEAR	MILLION TONNES
2023	21.9
2022	18.1
2021	14.5
2020	11.7
2019	15.6

These achievements show we are making good progress towards executing our Path to 2033 Strategy.

SAFETY

6.0

ALL INJURY FREQUENCY RATE (2022: 5.8)

RECEIVALS

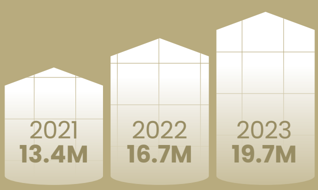
45 sites

SET NEW SEASON RECEIVAL RECORDS (2022: 54 SITES)

SHIPPING

19.7m tonnes

SHIPPED FROM OUR PORT TERMINALS



1.7m tonnes

OUTTURNED TO DOMESTIC MARKETS (2022: 1M TONNES)

8.9m tonnes

EXPORTED BY CBH MARKETING & TRADING (2022: 9.8M TONNES)

11m tonnes

DELIVERED TO PORT BY RAIL (2022: 8.6M TONNES)

8.3m tonnes

DELIVERED TO PORT BY ROAD (2022: 7.6M TONNES)

Chair's report

As we move towards our centenary, we are underpinned by an admirable legacy, a robust co-operative structure and our drive to create a better future.

Building on an admirable history

To achieve back-to-back record years positions us well to achieve our Path to 2033 Strategy and strengthen the network for future generations.

The 2022/23 financial year saw Western Australian grain growers deliver a record 22.9 million tonnes into the CBH network.

And for the first time in the co-operative's 90-year history, we moved almost 22 million tonnes out of our supply chain.

While doing this, almost 100 new individual site records were set. This is a phenomenal achievement, and one that Western Australian grain growers and the CBH team should be very proud of.

As we reflect on the sheer size of the task, it reinforces the importance of our Path to 2033 Strategy, and the need to prepare our network for crop sizes up to 30 million tonnes within the next 10 years.

In addition to the record crop, the financial year was marked by continued volatility in the global grain market, driven largely by the Russia/Ukraine conflict.

We welcomed the lifting of China's suspension on CBH Marketing & Trading's barley imports, and more broadly, the barley tariffs imposed on Australian barley. We resumed barley trading with China in August 2023, which is positive news for growers who can now benefit from greater market access.

Record crop strengthens balance sheet

At the close of the 2022/23 financial year we reported a surplus of $353.3 million, driven by back-to-back record harvests and elevated export prices.

Operations reported its highest-ever surplus of $156.1 million due to substantially greater volumes received and exported through the network. The ability of our frontline teams to receive and export two record crops is a significant result and reflects their resilience and commitment to the co-operative. We also saw demurrage costs drop to $9 million from $43 million the previous year, reflecting significant improvements in supply chain performance.

Marketing & Trading (M&T) reported a $176.3 million surplus. M&T accumulated 43 per cent of the 2022/23 crop and paid $4.8 billion to Western Australian grain growers.

Similar to last year, the majority of the M&T surplus - $170 million - will be paid as a fully franked dividend to CBH for the sole purpose of investing in the network, while the remainder will support M&T's equity position. Payment of this $170 million dividend will result in an estimated franking credit of $73 million for historical taxes paid by M&T, which will be realised in the 2024 financial year. While in the 2022/23 financial year, we unlocked $83.8 million in franking credits.

It is not our intention for M&T to fund network infrastructure. The record harvests have created unique circumstances. We expect M&T to deliver on their purpose of creating a competitive market for growers.

Our Fertiliser division reported excellent growth in a year of expansion and transformation. We began operating from the new Kwinana Fertiliser Terminal and commenced the supply of liquid Urea Ammonium Nitrate. The division sold a record 232,000 tonnes and held an 11 per cent market share in Western Australia – already close to achieving its Path to 2033 strategic goal of a 15 per cent market share.

Our grain processing investment Blue Lake Milling remained steady this year, reporting a surplus of $4.3 million. Meanwhile Interflour was impacted by a challenging trading environment and reported a surplus of $0.1 million (CBH's share).

The strong Group surplus provides us with a unique opportunity to fund network investment, which is critical if we are to keep pace with the increasing crop sizes.

Investing in the future

While we are proud to have outturned a record 21.9 million tonnes from the network this year, we need to ensure these volumes are sustainable in the future for both our network, and our people.

We need to continue accelerating and increasing our ability to get the crop to port more efficiently, so we can continue to maximise the value of Western Australian growers' grain.

This year we invested a record $572.7 million in the CBH network, bolstered by our significant investment in the new rail fleet. This fleet will play an instrumental role in increasing our peak monthly export capacity to 3 million tonnes by 2033 in line with our Path to 2033 Strategy.

In addition, we increased supply chain fees by a total of $2.20 per tonne to reflect the Consumer Price Index (CPI) increase.

The strength of your co-op

Received and outturned back-to-back record crops

Maintained a strong balance sheet to support future growth

Guided a dedicated and resilient team with a clear path to 2033

Our proud history

This is a particularly exciting year for the co-operative, as it marks CBH's 90th year.

I am proud to chair our co-operative, which has grown from humble beginnings to what is now Australia's largest co-operative and a leader in the Australian grain industry. The co-operative, and WA growers, have endured a lot in our 90-year history, and through the highs and the lows, our purpose remains the same: to sustainably create and return value to WA growers, current and future.

I have thoroughly enjoyed celebrating this important milestone with growers throughout the state at our Regional Member Forums and field days – reflecting on those early pioneers who laid the foundation for the co-operative all those years ago and everyone who has helped make CBH what it is today.

Looking forward, the Board is confident that our Path to 2033 Strategy will ensure the co-operative remains strong and sustainable, and that we will continue to build on this incredible legacy.

Strong leadership, unified vision

The Board

I extend a warm welcome to our new grower Director for District 2, Michael Caughey and our new Independent Director Michael Byrne. I would also like to thank John O'Neil for his participation in the election process and for his service to the Board over the past three years.

Congratulations to Ken Seymour (District 1) and Royce Taylor (District 4) on their re-election and I look forward to their continued contribution.

Growers' Advisory Council

This year we welcomed four new growers to our Growers' Advisory Council (GAC). Joining the council are Nick Jenzen, Darren Baum, Reece Curwen and Mark Mudie. In addition to the new appointments, Craig Doney has been unanimously re-elected as Chair for another year. The new Councillors replace outgoing councillors Stephanie Clarke, Michael Caughey (who has now joined the Board), Jeff Stoney and Daniel Sanderson.

Congratulations to the new members on their successful appointment and thank you to our outgoing members for their contributions to CBH and the grain industry.

Executive Committee

This year we farewelled Chief Marketing & Trading Officer Jason Craig. Jason dedicated 25 years to the grain industry and CBH, having joined the Grain Pool of Western Australia in 1998. We wish Jason all the best and sincerely thank him for his significant contribution to the co-operative's success. Congratulations to Paul Smith who was permanently appointed to the role in October 2023. Paul brings a wealth of experience and has worked at CBH for 13 years, including 10 years as Head of Structured Products.

I am pleased to welcome Jacky Connolly who was appointed as the Chief People Officer after an extensive internal and external search. We are also thrilled to welcome back Brianna Peake as the Chief Stakeholder Relations, Sustainability and Strategy Officer. Brianna returns after having successfully completed the Advanced Management Program at the prestigious Harvard Business School, following her secondment as the General Manager - Geraldton Zone. I extend my thanks to David Paton who was seconded into the Chief position and who is now Head of Operations.

Looking ahead

Looking ahead to our centenary in 2033, it is crucial that we stay aligned and focused on the future. While we have faced and overcome the challenges of two massive years, we must recognise that with good years also come not-so-good years.

And while the coming harvest may be smaller, we know that over the next 10 years the average crop size will increase significantly. This is an exciting prospect and one that we are carefully planning for as part of our Path to 2033 Strategy.

With a clear plan in place, we are confident in our ability to achieve our targets, create value for growers and continue building on our impressive legacy.

Simon Stead

Simon Stead
Chair

CEO's report

Congratulations to Western Australian growers – producing back-to-back record crops is a remarkable achievement. It has also taken a mighty effort from the CBH team to receive, outturn and market this crop around the world.

Investing in the future

The size of the crop delivered by Western Australian growers saw the previous year's records simply slip away, and the organisational muscle of the CBH team set a new bar of what can be achieved.

We proudly recognise the exceptional growth and productivity demonstrated by growers and CBH alike that has once again led to a record-breaking crop. This impressive milestone, while exceeding our network's capacity, presents exciting challenges that motivate us to continuously strive for greater efficiency and innovation.

Throughout the year volatility continued to be a feature for global grain markets, with the impact stemming from the Russia/Ukraine conflict still being felt. Meanwhile the barley market in China reopened to Australia, with the first ship loaded from our Kwinana Grain Terminal departing in August.

For all of the team's achievements, the safety of our people is a priority for me and for CBH. At the end of the year, I am pleased to report that we achieved an All-Injury Frequency Rate of 6.0, a solid result given the record crop, significant outloading program and the onboarding of 2,100 harvest casuals.

Throughout the year, there was a continued focus on removing risks through process improvements and investment, which saw a decline in the number of serious incidents. In addition, we implemented a plan with our road contractors to improve road transport safety. This will continue to be an area of focus.

Working together

For the first time in CBH's 90-year history, we moved a record 21.9 million tonnes out of the supply chain in a single year. This is a huge achievement for everyone across the co-operative, and clearly demonstrates the resilience of the team.

While the CBH team has a lot to be proud of for this phenomenal effort, we acknowledge this could not have been achieved without collaboration from key stakeholders - our road and rail contractors, as well as grower contractors for helping to move the grain to port, and our contractors who helped build storage and assist with maintaining the network.

Roadmap to 2033

It has been one year since we refreshed the co-operative's Path to 2033 Strategy. We remain steadfast in delivering on our purpose of sustainably creating and returning value to Western Australian growers, both current and future. The Strategy outlines three strategic objectives that are anchored by each of our core business units of Operations, Marketing & Trading, and Fertiliser. A key goal is being able to outturn 70 per cent of the crop in the first half shipping window, with a target in the first horizon of being able to export a peak of 2 million tonnes each month by the end of 2024 in the peak shipping months.

I am pleased to say we are making good progress on this particularly in the first half of the year. An example of this is that in December alone the team outturned 2.2 million tonnes.

We have also executed a number of key projects within the Strategy that will enable us to hit each goal in each of the three horizons.

The projects include updating and refreshing our values - Collaborative, Reliable, Respectful and Sustainable - which are in place to help guide our people, to enhance the workplace experience and enable a high-performing team that can deliver the Path to 2033 Strategy. We are also set to significantly expand our rail fleet of standard and narrow-gauge locomotives and wagons following the execution of three key agreements. Complementing this is the completion of the first of 11 rapid rail outloading projects, which are co-funded by the State and Federal Governments.

The execution of the Path to 2033 Strategy requires the elevated investment into the network to continue. During the year we invested a record $572.7 million into the network, including the rail fleet acquisition and a comprehensive expand and enhance program which saw 436,000 tonnes of permanent storage built, and the largest ever sustaining capital program which included a network-wide sealed storage refurbishment program.

While the Strategy provides direction and a focus for the co-operative, our Sustainability Plan is our roadmap of how we can sustainably deliver the Strategy. Throughout the year, our people continued to make good progress on delivering a number

Strength in numbers

Working together to unlock new potential for the supply chain

Resilience and determination of our people sets new records

Resolute focus with execution of our Path to 2033 Strategy

of projects and initiatives, and the results and outcomes of these can be found on page 56.

Focusing on sustainability is not only the right thing to do, but also a smart thing to do as it will keep WA growers competitive in the international market, give our stakeholders and customers confidence in the supply chain and support future grain production.

Challenges and new beginnings

The back-to-back record harvests, which surpassed aspects of our network's capacity, presented a unique set of marketing challenges.

International demand for grain remained strong due to the ongoing Black Sea conflict, but the high supply of grain, in excess of the supply chain's capacity to meet this demand, led to lower prices locally. This prompted our Marketing & Trading division to implement a dynamic pricing strategy. This was designed to boost Western Australia's grain values closer to international values, while also managing Marketing & Trading's export shipping capacity and risk position.

Whilst as part of this strategy we offered grain prices well above other marketers, we recognise that the limited availability to contract at these high values frustrated growers. Throughout the year as the performance of the supply chain exceeded expectations, we removed the restrictions put in place that were intended to spread access to contracts. Doing this meant we managed a market share of 43 per cent.

During the year, a key barley market re-opened with China lifting import tariffs and removing the import suspension from our Marketing & Trading division. While this is welcome news, we remained focused on maintaining our relationships with barley customers from all markets, and continued to seek new markets for WA barley growers.

Our Fertiliser business had an outstanding year with a record 232,000 tonnes outturned. This included a record monthly outturn of 60,000 tonnes, which is more than the entire volume outturned in its first year of operation eight years ago.

In March, the business opened the Kwinana Fertiliser Terminal which marked our entry into the liquid fertiliser market. This is a great achievement, particularly as the facility was constructed on time and on budget. The expansion of the business is in line with our Path to 2033 Strategy, and has helped the fertiliser business reach an 11 per cent market share in WA, moving closer to the overall goal of 15 per cent.

Resolute focus

The coming harvest reminds us all of the peaks and troughs of farming, with the crop size set to be below average. We need to remain focused on lifting our network capacity and reliability so that growers, both current and future, can maximise the value of their grain.

Our people, together with our contractors and growers, have shown great resilience, commitment and determination over the past year, continuing an attitude that has underpinned the co-operative for the past 90 years. Through collaboration and respect, we have achieved extraordinary results, and I am grateful for everyone's efforts.

I wish you all a safe and successful remainder of harvest.

Ben Macnamara.

Ben Macnamara
CEO

About CBH

Returning value to growers since 1933.

CBH is Australia's largest co-operative and a leader in the Australian grain industry.

As a Western Australian grower-owned co-operative, our core purpose is to sustainably create and return value to WA grain growers – current and future.

We have operations extending along the value chain from fertiliser to grain storage, handling, transport, marketing and processing.

This value chain benefits four key stakeholder groups: Western Australian grain growers, customers (both domestic and international), Western Australian grain-growing communities and the broader Australian grain industry.

From humble beginnings in 1933, CBH was established to increase grower returns through a cost-effective and efficient bulk handling system owned and controlled by Western Australian growers.

Now, that system is regarded as one of the best in the world.

Our value chain

GROWER	FERTILISER	STORAGE & HANDLING	TRANSPORT	MARKETING & TRADING	PROCESSING	CUSTOMER
~3,500 grower members	create a competitive market	100+ sites	25 locomotives and 572 wagons	competitive prices	Blue Lake Milling	200+ customers in more than 24 countries
operate and invest in more than 60 shires across WA grain growing communities	high quality products	4 port terminals	up to 500 trucks contracted during peak season	market access	Interflour Group	long-term trusted relationships

Co-operative principles

CBH was registered as a co-operative on 5 April 1933 by the trustees of The Wheat Pool of Western Australia and Westralian Farmers Limited.

It was formed based on the co-operative principle of 'one member, one vote'.

As a co-operative, we base our organisation around the global co-operative values and principles. These guide what we do and how we behave.

Being part of a co-operative allows grower members to achieve better outcomes as a team, invest in their local communities and support the long-term sustainability of the grain industry.

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Concern for community
5. Autonomy and independence
6. Education, training and information
7. Co-operation among co-operatives

A shared future

In July, CBH released its inaugural Reflect Reconciliation Action Plan (RAP).

Our vision is to move forward together and build a shared future that embodies respect, inclusion and sustainability for all Australians. Shandell Cummings, a Meningar yorga from the south coast of Western Australia, created this artwork for us titled 'Reconciliation Yierd' (Journey). It is designed as a landscape map representing some of the CBH sites (see our Network Map on page 15). The footprints show us all walking together on this journey of reconciliation and also represent the old paths of the Traditional Owners.

Read more on page 33.

Network map

- NETWORK SITE
- NON-NETWORK SITE
- HEAD OFFICE
- CBH OFFICE
- CBH PORT TERMINAL

Board of Directors

Simon Stead

Chair

Simon Stead was appointed as a Director of the CBH Board in February 2015, as Deputy Chair in April 2019, and as Chair in April 2020. He is currently a member of the Remuneration and Nomination Committee. During the year, Simon was a member of the Growers' Advisory Council (GAC) Selection Panel.

Simon runs a mixed sheep, cattle and cropping operation in Cascade and Dalyup in the Esperance Zone. He is a member of the Industry Advisory Board of the University of Western Australia Institute of Agriculture and is also a founding member and a past Chair of the Association for Sheep Husbandry, Excellence, Evaluation and Production.

Simon holds an Executive Certificate in Agribusiness Marketing from Monash University and is a Graduate of the Australian Institute of Company Directors.

Natalie Browning

Deputy Chair

Natalie Browning was elected as a Director of the CBH Board in February 2018 and appointed as Deputy Chair in April 2020. She is currently a member of the Network and Engineering Committee and the Audit and Risk Management Committee.

She is currently a Director of Hockey WA, Chair of the Narembeen District High School Board, and a member of the Asia Pacific Regional Board of the International Co-operative Alliance. Natalie has completed the Executive Leadership Program for Co-operatives and Mutuals facilitated by the University of Western Australia Business School and the Australian Institute of Management and is also a former member of the CBH Growers' Advisory Council.

Natalie is a Graduate of the Australian Institute of Company Directors and is currently studying a Bachelor of Commerce (Accounting and Business Law) at Curtin University.

Michael Caughey

Member Director

Michael Caughey was elected as a Director of the CBH Board in February 2023. He is currently a member of the Network and Engineering Committee and the Health, Safety and Sustainability Committee. He is also a member of the Growers' Advisory Council (GAC) Selection Panel.

Michael owns and operates a broad-acre grain-growing farm enterprise in the Eastern Wheatbelt. He is a Councillor of the Shire of Nungarin, Chair of the Nungarin Sports Council and has been active on many local committees including community, agricultural and sporting groups. He is also a former member of the CBH Growers' Advisory Council.

Michael is a Member of the Australian Institute of Company Directors and has completed the Executive Leadership Program for Co-operatives and Mutuals, facilitated by UWA and the Australian Institute of Management.

Gareth Rowe

Member Director

Gareth Rowe was elected as a Director of the CBH Board in June 2021 and was appointed director of Interflour Group Pte Ltd by the CBH Board in February 2023. He is currently a member of the Audit and Risk Management Committee and the Health, Safety and Sustainability Committee.

Gareth produces grain and cattle on his properties in Walkaway and Moonyoonooka. He is currently a Director of the Council of Grain Grower Organisations (COGGO) Ltd. Gareth has previously served on the Growers' Advisory Council.

Before developing his business interests in Western Australia, he was a consultant for the Milk Marketing Board co-operative in the UK and as a consultant for an international accounting firm. Gareth has built a number of businesses in the UK in consultancy, computer software, property development and construction, and farm production activities.

Gareth holds an Honours Degree (BSc Hons) in Farm Business Management from the University of Reading and is a Graduate of the Australian Institute of Company Directors.

Ken Seymour

Member Director

Ken Seymour was elected as a Director of the CBH Board in February 2020. He is currently a member of the Remuneration and Nomination Committee and Chair of the Network and Engineering Committee. Ken is also the CBH appointed representative and Chair of the Co-operatives WA Council.

Ken produces grain and sheep on his properties in the Miling district. He is a Councillor at the Shire of Moora and President of the Avon-Midland zone and was formerly a State Councillor of the WA Local Government Association. Ken has held positions on many local committees, including community, agricultural and sporting groups.

Ken has completed the Executive Leadership Program for Co-operatives and Mutuals and is a Graduate of the Australian Institute of Company Directors.

Jeff Seaby

Member Director

Jeff Seaby was appointed as a Director of the CBH Board in February 2019. He is currently a member of the Remuneration and Nomination Committee and the Network and Engineering Committee. He is also a member of the Growers' Advisory Council (GAC) Selection Panel.

Jeff runs a mixed cropping and sheep operation in Mukinbudin. He is a former Councillor at the Shire of Mukinbudin, former Chair of the Mukinbudin Planning and Development Group and the Central Wheatbelt Football League Tribunal and has held leadership roles at multiple sporting clubs throughout the Central Wheatbelt. Jeff is also a former member of the CBH Growers' Advisory Council.

Jeff has completed the Executive Leadership Program for Co-operatives and Mutuals and is a Member of the Australian Institute of Company Directors.

From left to right Paul Sadleir, Michael Caughey, Ken Seymour, Royce Taylor, Simon Stead, Natalie Browning, David Lock, Helen Woodhams, Barry West, Michael Byrne, Jeff Seaby and Gareth Rowe.

Paul Sadleir

Independent Director

Paul Sadleir was appointed as a Director of the CBH Board in February 2021. He is currently Chair of the Remuneration and Nomination Committee and a member of the Network and Engineering Committee.

Paul is a non-executive director of Perron Group Limited and chair of its Remuneration and Nomination Committee, an advisory board member of the CFC group and was President of the WA Division of the Australian Institute of Company Directors until June 2023.

He has over 30 years of corporate, commercial and technical experience across ASX listed, government, private and not-for-profit organisations.

Paul was Managing Director of Cedar Woods Properties Limited and has held senior positions with Bunnings Warehouse Property Trust, Wesfarmers and Western Power.

Paul has a Bachelor of Engineering and an MBA from the University of Western Australia and is a Fellow of the Australian Institute of Company Directors and the Australian Property Institute.

Michael Byrne

Independent Director

Michael Byrne was appointed as a Director of the CBH Board in February 2023. He is currently a member of the Audit and Risk Management Committee and the Health, Safety and Sustainability Committee.

He is currently a non-executive director of National Intermodal Corporation, Sydney Airport Aviation Alliance, Ausgrid, NSW Ports and Peel Ports UK, as well as a Senate member of the University of WA.

Michael has previously held positions of Managing Director of Toll Group and Chief Executive Officer of both Coates Hire and Linfox, as well as Board / Committee positions with Australia Post, OzHarvest, Victoria University and the University of Denver.

Michael holds a Master of Science in Transportation and Infrastructure from the University of Denver. In 2017, Michael became the inaugural Adjunct Professor at the Centre for Supply Chain and Logistics at Deakin University and is a Fellow of the Australian Institute of Company Directors.

Helen Woodhams

Member Director

Helen Woodhams was elected as a Director of the CBH Board in August 2020. She is currently Chair of the Health, Safety and Sustainability Committee and a member of the Audit and Risk Management Committee. She is also Chair of the Growers' Advisory Council (GAC) Selection Committee.

Helen produces grain on her properties in the Shires of Kojonup and Woodanilling. She is a former Board Member of Rural Edge, former Deputy Chair of the CBH Growers' Advisory Council and has held positions as a Rural Financial Counsellor and Business Lecturer. Helen has been active on many local committees including community, agricultural and sporting groups.

Helen holds a Bachelor of Education (Business) and Diplomas in Teaching and Financial Counselling. She is a Graduate of the Australian Institute of Company Directors and has completed the Executive Leadership Program for Co-operatives and Mutuals, facilitated by UWA and the Australian Institute of Management.

David Lock

Independent Director

David Lock was appointed as a Director of the CBH Board in February 2019. He is currently Chair of the Audit and Risk Management Committee and a CBH Board-appointed Director of Interflour Group Pte Ltd.

David is Deputy Chair of the Water Corporation, Chair of the Curtin Faculty of Business Law Advisory Council and Chair of Regent Motors Group. He was previously Chair of Australian Pork Limited and the West Australian Meat Industry Authority. He has extensive experience in agribusiness, gained through CEO roles at Craig Mostyn Group and Mareterram Limited from 2004 to 2017. David was named the 2012 National Australia Bank Agribusiness Leader of the Year.

David holds a Bachelor of Commerce and is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

Royce Taylor

Member Director

Royce Taylor was elected as a Director of the CBH Board in June 2021. He is currently a member of the Remuneration and Nomination Committee and the Health, Safety and Sustainability Committee.

Royce produces grain and sheep on his farm in Lake Grace. Royce has previously served as a Councillor on the Shire of Lake Grace and as Deputy Chair of the CBH Growers' Advisory Council.

Royce has completed the Executive Leadership Program for Co-operatives and Mutuals and is a Graduate of the Australian Institute of Company Directors.

Royce graduated with an Associate Diploma in Agriculture from the Muresk Institute of Agriculture.

Barry West

Member Director

Barry West was elected as a Director of the CBH Board in February 2022. He is currently a member of the Audit and Risk Management Committee and the Network and Engineering Committee. Barry is also a former member of the CBH Growers' Advisory Council.

Barry owns and operates a broad-acre grain-growing farm enterprise in the Central Wheatbelt, producing both grain and sheep.

Barry is currently on the Board of the Kulin Development Co-operative and was a Councillor of the Shire of Kulin for 34 years, including as Vice President from 2003 to 2015 and President from 2015 to 2021.

Barry is a Graduate of the Australian Institute of Company Directors.

CBH's first Board of Directors was chaired by Alexander Monger of Daliak Estate in York. Monger was also a founding trustee and Chair of The Voluntary Co-operative Wheat Pool of WA. Today, Monger's great-grandson Peter and his wife Mia farm at the Estate. Peter and Mia continue their family's legacy as sixth-generation grain growers and co-operative advocates. Peter's father Rodney served on the York and District Co-operative Board for many years, while Mia is now the first female Chair.

Executive Committee

Ben Macnamara

Chief Executive Officer

Joined CBH Group: 2014

Ben commenced as Chief Executive Officer in December 2021. Previously, he was Chief Operations Officer (from February 2019) where he was responsible for leading CBH's world-class storage and handling, logistics, engineering and shipping services.

Ben joined CBH in 2014, serving as Commercial and Business Development Manager, before becoming General Manager Planning, Strategy and Development.

Before joining CBH, Ben worked for an investment advisory firm and an international professional services firm.

Ben holds a Bachelor of Business and is a member of the Institute of Chartered Accountants Australia. He is on the board of the Business Council of Co-operatives and Mutuals (BCCM) and the University of Western Australia's Business School.

Stewart Hart

Chief Financial Officer

Joined CBH Group: 2021

Stewart was appointed Chief Financial Officer in 2021 and is responsible for finance, treasury, procurement and business development. He has over 35 years' experience as an international finance and commercial leader in the construction, mining and energy industries, both within Australia and internationally.

He is a Fellow of CPA Australia and Graduate of the Australian Institute of Company Directors. Stewart is a CBH Board appointed Director of Interflour Group Pte Ltd.

Since 2015 Stewart has been a member on the Not-for-profit board of Avivo and has been a member of the Resources Committee of Edith Cowan University (ECU) since 2019.

Mick Daw

Chief Operations Officer

Joined CBH Group: 1989

Mick was appointed Acting Chief Operations Officer in July 2021 and appointed permanently in February 2022. Mick is responsible for leading CBH's world-class storage and handling, logistics, engineering and shipping services.

Prior to this role, Mick was the Esperance Zone General Manager, Albany Zone Manager and the Geraldton Zone Manager.

Mick holds a Diploma in Business Management and is a graduate of the Australian Rural Leadership Program.

Sam Gliddon

Chief Project Delivery Officer

Joined CBH Group: 2016

Sam was appointed Chief Project Delivery Officer in October 2021 and is responsible for the management of network infrastructure projects and engineering.

Sam commenced with CBH in the Commercial and Business Development team in 2016 and held the role of Planning Strategy and Development Manager, before becoming Head of Network Planning in 2019.

Prior to joining CBH, Sam worked in corporate finance and restructuring, treasury, and professional services firms both locally and internationally.

Sam holds a Bachelor of Commerce majoring in Corporate Finance and Financial Accounting and a Bachelor of Science, majoring in Environmental Science.

Sam brings over 15 years' experience in infrastructure planning, finance and accounting roles across agriculture, commodities and asset intensive industries, and is a member of the Institute of Chartered Accountants Australia.

Richard Codling

Chief Legal, Risk and Governance Officer and Company Secretary

Joined CBH Group: 2005

Richard was appointed as Chief Legal, Risk and Governance Officer and Company Secretary in December 2022 and is responsible for the company secretarial, corporate governance, risk and legal functions of the CBH Group.

Prior to the role, Richard was the Head of Legal at CBH and acted as Company Secretary for the Business Council of Co-operatives and Mutuals and as a Director of the CBH Superannuation fund trustee.

Richard is a qualified lawyer with over 25 years of corporate and commercial law experience. Prior to joining CBH, Richard worked for two top tier Australian law firms and a major UK energy utility.

He is also a qualified Chartered Secretary, Fellow of the Governance Institute of Australia and Graduate of the Australian Institute of Company Directors. Richard holds a Bachelor of Laws and a Bachelor of Science (Pharmacology).

Brianna Peake

Chief Stakeholder Relations, Sustainability and Strategy Officer

Joined CBH Group: 2010

Brianna was appointed as Chief External Relations Officer in 2015 and in 2023 this role evolved to Chief Stakeholder Relations, Sustainability and Strategy Officer to encompass Corporate Affairs, Government and Industry Relations, Grower Relations, Sustainability, Strategy, DailyGrain and the Growers' Advisory Council.

Brianna joined CBH in 2010 first serving as Grower Relations Manager then went on to hold other senior roles within CBH including Marketing Communications Advisor and Government and Industry Relations Manager.

Brianna is a graduate of the University of Western Australia with a Science degree in Natural Resource Management and has a Graduate Certificate in Corporate Finance from Kaplan Professional. She is also a graduate of the Advanced Management Program of Harvard Business School, the Australian Institute of Company Directors Course and the Australian Rural Leadership Program.

In 2021 Brianna was appointed as a Commissioner on the Lotterywest Board and to the General Council of the Chamber of Commerce and Industry WA.

From left to right Stewart Hart, Jacky Connolly, Mick Daw, Ben Macnamara, Sam Gliddon, Brianna Peake and Richard Codling. Absent: Paul Smith and Tamour Azam.

Tamour Azam

Chief Information Officer

Joined CBH Group: 2018

Tam joined CBH as Chief Information Officer in December 2018, where he is responsible for leading the Information Technology division and ensuring CBH's systems and technology support the business' operations.

Tam has a Bachelor of Science in Computing Systems and brings over 25 years' experience working in the UK and Australia across multiple industries including manufacturing, technology, defence and retail.

In 2010, Tam was selected as the Visiting Industry Fellow at the Australian Defence College's Centre for Defence and Strategic Studies.

Paul Smith

Chief Marketing & Trading Officer

Joined CBH Group: 2010

Paul was appointed Chief Marketing & Trading Officer in October 2023, after acting in the role since September 2023. He is responsible for CBH's Marketing & Trading and Fertiliser divisions.

Paul has more than 20 years' experience in various trading roles, both within CBH and in the banking sector. Prior to this role, he was CBH's Head of Structured Products for 10 years, managing pool, commodity swap and grower finance products.

Paul holds a Bachelor of Commerce (Honours) in Quantitative Finance and Accounting from the University of Western Australia and a Graduate Diploma in Applied Finance and Investment.

Jacky Connolly

Chief People Officer

Joined CBH Group: 2023

Jacky was appointed Chief People Officer in January 2023, and is responsible for people and culture, including human resources, employee relations, benefits and payroll, learning and development and organisational capability.

She has over 25 years' experience as an international human resources leader in the industrial, mining services, financial services and energy industries both within Australia and internationally.

Jacky holds a Bachelor of Commerce majoring in Human Resources and a Master's Degree in Occupational Health and Safety Management. Jacky is also a longstanding member of the Australian Human Resources Institute.

EST. 1933 90 HARVESTS STRONG

CBH's first Chief Executive Officer was John Thomson. Thomson, who was also the second General Manager of Westralian Farmers at the time, was involved in the trial of wheat bulk-handling at five sites in the Wheatbelt. He and his team invented the diesel-powered bucket elevator that was used to move wheat from storage bins to load into railway trucks. This elevator was used during the trial and soon led to the start of CBH.

Growers' Advisory Council

The Growers' Advisory Council (GAC) is an integral part of CBH, providing a link between growers and their co-operative.

The GAC advocates on behalf of growers by providing feedback on CBH initiatives that will impact growers. It also helps to increase growers' understanding of CBH and the issues affecting the co-operative and the broader grain industry.

The Council is made up of 16 grower members appointed for a single four-year term, with representation across the five electoral districts of CBH. The group meets four times a year in person and provides a formal mechanism for issues raised by growers to be fed back to CBH management and the Board of Directors.

This year the group farewelled four Council members, including Stephanie Clarke of Bolgart, Dan Sanderson of Grass Patch and Jeff Stoney of Gnowellen, whose terms on the Council ended in August 2023. In addition, Mick Caughey of Merredin was elected as a CBH Director in February and subsequently resigned from the GAC. CBH would like to thank these members for their time and commitment to the GAC and role in ensuring its ongoing success.

CRAIG DONEY
GAC CHAIR

"CBH is an integral part of our business and being part of the GAC has given me an appreciation of how and why decisions are made. Having the opportunity to give feedback, both positive and negative to help management to find the best outcomes for growers is very rewarding."

GRAHAM RALPH
GAC DEPUTY CHAIR

"Being Deputy Chair of the GAC during CBH's 90th anniversary has been a great honour. Witnessing the organisation's history and growth has shown us the power of collaboration. Reflecting on this milestone, it's clear that CBH's dedication to growers and other stakeholders has shaped the industry. Being part of this journey has been a privilege."

Read more in *The Fourth Quarter: The Grain Journey Continues* e-book

EST. 1933 90 HARVESTS STRONG

The GAC was born out of the formation of the Grain Pool of Western Australia in 1922 (now the CBH Marketing & Trading division). Originally called the 'Committee of Twelve', the Council members provided a link between growers and the Trustees of the Grain Pool. The Council underwent many name changes over the years, but it was always considered a trusted advisor – providing feedback, suggestions and advice to the Board of Directors. Today, the GAC continues to play an essential role as an independent advisory body to the Board and management of CBH.

The origins of the GAC

1922 – Committee of Twelve

1932 – Growers' Council

1975 – Producers' Council

2002 – Growers' Advisory Council

The Growers' Advisory Council is comprised of grain growers with a genuine desire and commitment to support the co-operative in its purpose to sustainably create and return value to growers.

From left to right Reece Curwen, Tamara Alexander, Nick Jenzen, Lyndon Mickel, Graham Ralph, Bruce Trevaskis (front), Laurie Butler, Clayton South, Craig Doney, Noel Heinrich, Tony White, Tarnya Fraser, Mark Mudie, Peter Kirchner. Absent: Jules Alvaro and Darren Baum.

Craig Doney (Chair)
Kulin

Graham Ralph (Deputy Chair)
Dowerin

Tamara Alexander
Narrogin

Julie Alvaro
Merredin

Darren Baum
Ongerup

Laurie Butler
Perenjori

Reece Curwen
South Stirling

Tarnya Fraser
Quairading

Noel Heinrich
Carnamah

Nick Jenzen
Cunderdin

Peter Kirchner
Munglinup

Lyndon Mickel
Beaumont

Mark Mudie
West River

Clayton South
Wagin

Bruce Trevaskis
Jerramungup

Tony White
Miling

Together, we're 90 harvests strong

Co-operative Bulk Handling Limited (CBH) was founded during the Great Depression through the realisation that a cost-effective and efficient bulk handling system would reduce growers' costs and strengthen the then-struggling wheat industry.

Since then, CBH has grown from humble beginnings with just five trial sites to over 100 receival sites, making it one of the largest and most efficient grain supply chains in the world.

Over those 90 years, WA growers and the co-operative have overcome wars, floods, droughts, pest infestations, cyclones, frost, unpredictable harvests and pandemics.

We pay tribute to the wisdom of those early pioneers of CBH and the well laid foundations on which succeeding generations have been able to build.

We also celebrate and recognise the many people that have worked at this co-operative over the past 90 years, all of whom have played a crucial role in getting us to where we are today.

Thank you to the Dunne (Beacon), Panizza (Williams), Preston (Cranbrook), Fraser (Quairading), Turner (Aldersyde) and Wornum (Kendenup) families for helping us mark this special occasion.

Scan to watch our 90 Harvests Strong TV commercials

1920 – 1950

SIMON STEAD
CBH CHAIR

"It is an honour to be celebrating such a significant milestone - one that represents a rich history and demonstrates the resilience and strength of WA grain growers.

As we head to our centenary in 2033, we are confident that our co-operative structure will continue to remain strong and sustainable for the years ahead."

- CBH was founded on 5 April 1933 with the trustees of the Wheat Pool of WA and Wesfarmers Ltd jointly registering the co-operative.
- Five experimental bins to handle bulk wheat were established at Benjabbering, Nembudding, Korrelocking, Yelbeni and Trayning.
- In the first year, CBH received 42,565 tonnes of wheat.
- The founding co-operative had an authorised capital of £100,000 divided into 100,000 shares and was based on the co-operative principles of one-member, one-vote.
- By 1943, CBH had repaid all its start-up debts and control of the company was handed to growers.

TARNYA FRASER
QUAIRADING

"If our great grandparents looked at us now, and the way that we grow grain, I think it would blow their minds in terms of the adoption of technology and how scientific is it. There are some really exciting things going on in Ag that present great opportunity."

NICK PANIZZA
WILLIAMS

"The most rewarding thing is doing it as a family. My great-grandfather came across on the train and got to Southern Cross and thought that looked like a good place to farm."

MERRYLN DUNNE
BEACON

"We are celebrating a hundred years [on our farm] this year and it's not because we're the biggest, the richest, the most famous, or successful or any other thing, but it is because we've been fortunate that our families have carried on through the generations."

1950–1980

1970

1.8m tonnes

- In 1955, all grain port facilities were handed over to CBH control and management.
- In 1961, the standard gauge railway was introduced through the eastern Wheatbelt to the coast.
- The CBH storage system expanded rapidly and by the 1960s there were more than 300 grain receival points. As the receival systems became more efficient, the sites were rationalised. Many silos were dismantled, and others upgraded to take larger tonnages at a faster rate.

1980–2010

- In 1989 the deregulation of the domestic grain market saw CBH lose sole handling rights.
- In 2002, Co-operative Bulk Handling moved into grain marketing through the merger with fellow grower-controlled organisation, the Grain Pool of Western Australia. The merger created the CBH Group.
- This was a defining moment for CBH, beginning the transformation of the company into an integrated business focused on delivering a greater share of the grain value chain to growers.
- In 2004, CBH partnered with the Salim Group to acquire Interflour.
- In 2008, CBH was granted a licence to export wheat in bulk from Australia and on 1 July 2008 bulk wheat exports were deregulated.

2010–today

2023

22.9m tonnes

- Western Australian grain is now exported to more than 24 countries including Japan, South Korea, Europe, Indonesia, Saudi Arabia, Vietnam, Thailand and China.
- CBH has around 3,500 grower members and is a major participant in the Australian grain industry.
- We have more than 100 grain receival sites across Western Australia, four ports, our own rail fleet, a fertiliser business and investments in end processing, creating a fully integrated supply chain able to generate value for our grower members along every step.
- In 2022 and 2023, CBH received back-to-back record receivals of 21.3 million tonnes and 22.9 million tonnes respectively.

Path to 2033 Strategy

Investing today, for tomorrow.

As we approach our centenary in 2033, it is important we are aligned and focused on the future to ensure we deliver value to Western Australian growers.

The Strategy sets our targets for the next 10 years so the supply chain can keep pace with the productivity gains being made by growers, and as customer demands change and evolve.

The Strategy takes its direction from the Board and is aligned with our purpose: 'To sustainably create and return value to Western Australian grain growers, current and future.'

We've identified three Strategic Objectives as being crucial in achieving our 2033 goal of exporting a peak of 3 million tonnes in the first half of the year.

Our progress so far

We have progressively worked towards achieving our 2 million tonne monthly shipping export target in 2024, with Operations breaking records continuously throughout 2022 and 2023. In the last year, we have moved 21.9 million tonnes out of the supply chain, with 19.7 million tonnes shipped and 1.7 million tonnes outturned domestically – all records.

This performance has been accompanied by several supply chain records ranging from December 2022 records of moving over 1 million tonnes of grain on rail and shipping 2.2 million tonnes, through to shipping 4.9 million tonnes between October and December 2022 – a 57 per cent increase compared to the 2021 harvest period.

This year we made a $572.7 million investment in the network and initiatives such as the fleet acquisition program, which will see CBH procure 17 Wabtec narrow gauge locomotives, 7 Progress Rail standard gauge locomotives, and 200 standard gauge and 450 narrow gauge grain hopper wagons from CRRC Meishan. This initiative will underpin our ongoing progress to achieving a 3 million tonne export capacity in the peak shipping months.

While the network investment and strategic projects will enable us to export more tonnes, it will also better support the trading environment for WA growers. The 2022/23 harvest saw Marketing & Trading introduce dynamic pricing as an initiative to manage the crop being larger than CBH's capacity to export it. By investing in the expansion and maintenance of the WA supply chain, we will have the supply chain capacity to handle 30 million tonne harvests as they arise, to enable WA growers to maximise the value they receive for their grain.

Strategic objectives

STORAGE & HANDLING

Are able to safely receive an average 22mt crop (with a peak of 28-30mt) and outturn 70% in the first half-year shipping window

MARKETING & TRADING

Are able to market ~ 50% of the crop to international customers

FERTILISER

Hold a 15% market share in the WA fertiliser market

To bring the Strategy to life, we have established three Strategic Focus Areas that help guide the collective CBH effort to deliver on our three objectives.

Strategic focus areas

PEOPLE

We develop, retain and attract diverse and talented people who work collaboratively to solve challenges and seek opportunities for the co-operative, today and into the future

TECHNOLOGY

We deliver technologies and processes that are efficient and effective, leverage our data, and improve outcomes for our people, customers and growers

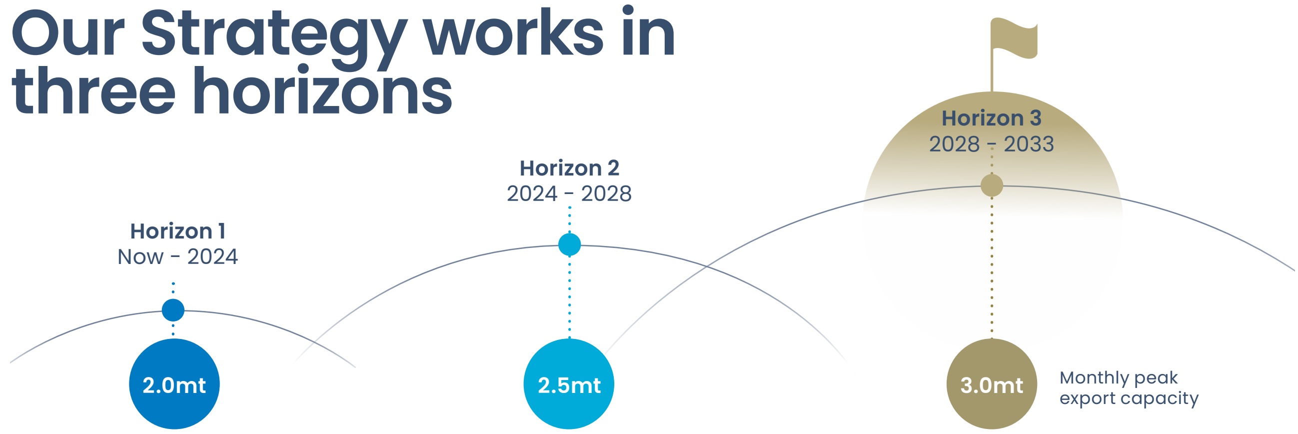
TONNES TO CUSTOMER

We operate a grain and fertiliser supply chain that delivers the needs of the customer to create optimum value for growers

Our Strategy ensures we are investing today, for tomorrow. We need to ensure we get the balance right between cost management, capacity and our service offering – the right trade-off between these three elements creates sustainable value across our business and ensures we can deliver on our purpose.

The pathway to achieve the 2033 objectives is mapped out in three horizons. The record 2022/23 harvest where growers delivered 22.9 million tonnes to CBH is likely to be the norm by 2033 and, with the highs and lows of good and bad seasons, this could increase to a peak of between 28-30 million tonnes.

Our Strategy works in three horizons



Priority projects

Priority projects have been put in place to ensure the co-operative, in addition to delivering on business as usual, is focused on the most important projects needed to execute our Path to 2033 Strategy.

LEADERSHIP DEVELOPMENT

Tailored leadership programs to develop our existing and future leaders across all levels of the business

WORKFORCE PLANNING

Planning to sustainably attract and retain a skilled and capable regional workforce

RAIL FLEET ACQUISITION

Expansion of the CBH rail fleet to efficiently move the crop to port and deliver on our strategic objectives

RAPID RAIL OUTLOADING

Investment in up-country rail outloading to improve efficiencies, provide better operational outcomes, and increase tonnes to port

GERALDTON STEEL SILO REFURBISHMENT

Remediation of the Geraldton Port steel silos to enhance port performance

ENTERPRISE RESOURCE PLANNING UPGRADE

Provide people with the right information at the right time to enhance decision making

M&T GROWER AND CUSTOMER ENGAGEMENT PLAN

Delivery of engagement initiatives to continually improve how we engage with growers and customers

AVON RAIL UPGRADE

Assessing the feasibility of upgrading the rail facility at the Avon site for the efficient transport of grain

VALUES REFRESH

Identified and started to embed our new values across the organisation

Our values

This year we launched our refreshed organisational values – one of the initial priority projects for our Strategy.

These values, and how we each embody them as behaviours, underpin how we successfully work together to deliver our Strategy.

Our organisational values inspire and guide employees in their efforts to achieve our purpose – to sustainably create and return value to growers, current and future.

The Values Refresh Project was a crucial piece of work that sat under the People strategic focus area of our Path to 2033 Strategy.

The refreshed values and associated behaviours play a critical role in driving organisational alignment to achieving our strategic objectives.

Respectful

We treat everyone with care & respect

Collaborative

We play as one team

Sustainable

We act to create a better future

Reliable

We do what we say we will do

Safety first, always

6.0
ALL-INJURY FREQUENCY RATE

1,300+
ON-SITE HEALTH ASSESSMENTS CONDUCTED

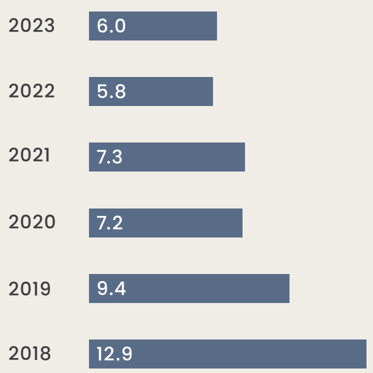
$16.9m
INVESTED IN PREVENTING RISKS

220
MENTAL HEALTH FIRST AID OFFICERS

Creating a safer workplace

At CBH, our number one priority is the safety and wellbeing of our people. It is our vision that 'we all return home safely at the end of each working day'.

ALL INJURY FREQUENCY RATE (AIFR)



The lower the AIFR score, the lower the number of injuries.

Safety results

This year we recorded an All-Injury Frequency Rate (AIFR) of 6.0 - our second safest 12-month period and in line with our yearly target. We achieved this while receiving another record crop, undertaking a massive outloading program and employing a record number of harvest casuals.

As almost half of the injuries occurred during harvest, we increased our focus on field leadership and saw a significant improvement towards the end of the year.

A continued focus on removing risks through infrastructure investment and process improvements saw a reduction in the number of serious incidents compared to last year. However, road transport incidents remain a challenge.

How we measure safety performance

We use the AIFR to measure safety performance. The AIFR includes all employees and contractors engaged by CBH to complete work, such as our road and rail partners.

The AIFR includes any injuries that:

- require medical treatment (more than first aid)
- prevent an employee doing their full duties
- prevent an employee attending the workplace for a full day or more.

Our AIFR is calculated as the number of injuries per million hours worked. We present our AIFR as a 12-month rolling average. This is the total number of injuries across the past 12 months and incorporates all hours worked in this period.

Our investment in safety

We invested $16.9 million dollars on removing risks from the business this year.

This included:

- removing falls risks on our elevators and fixed storages
- upgrading grid covers to remove crush risks
- improvements to equipment guarding at country receival sites and terminals
- electrical improvements
- fans to keep tarps on bulkheads during high winds.

Health and safety

The health and safety of all CBH employees is paramount when conducting business activities across all of our sites.

Our Critical Risks

The health and safety of all CBH employees is paramount when conducting business activities across all of our sites. Through our shared experiences and analysis of incidents we have identified where our greatest risk exposure to potentially fatal or permanently disabling injuries are for our employees and contractors. From those insights, we have determined CBH's Critical Risks and defined the Critical Controls required to keep our people safe.

Field leadership

This year our focus has been on how we minimise risks through leadership and behaviours, as part of our Field Leadership Program.

The purpose of Field Leadership is to prevent incidents, injuries and illnesses by ensuring:

- health and safety leadership is visible
- standards are established and communicated
- systems of work are followed, reviewed, improved and/or modified as necessary
- positive behaviours are commended, and at-risk behaviours are addressed
- regular interaction takes place with our people to receive and action feedback.

Mental health

We achieved 'Advanced' workplace recognition status with Mental Health First Aid Australia based on the number of accredited Mental Health First Aid Officers and the successful implementation of mental health initiatives. This year the number of accredited Mental Health First Aid Officers increased to 220 employees - a 72 per cent increase compared to last year.

We provided regional workshops and psychologist-led one-on-one consults for people leaders.

People leaders have significant influence in providing a psychologically safe work environment and supporting the mental health needs of team members. Our programs ensure managers have a high level of mental health literacy as well as access to specialised assistance to positively influence and support their teams.

Our mental health and psychological safety program focused on promoting good mental health, educating people leaders and preventing mental health problems and illness in the workplace.

Physical health

Employee uptake of our health improvement initiatives grew with 173 employees participating in health challenges this year, including the Delhi Gift fun run and other nutrition and exercise challenges.

We provided more than 1,300 free on-site health assessments, including flu vaccinations, skin checks and GrainFit health checks. GrainFit health checks provide individual feedback and improvement advice on nutrition, sleep and many other aspects of physical and psychological health. Employees participating in GrainFit can access and track their health data over time from a private cloud-based health profile.

Investing in our people

2,100
HARVEST CASUALS EMPLOYED

1,200+
PERMANENT EMPLOYEES (EXCLUDING FIXED TERM)

28%
FEMALE WORKFORCE

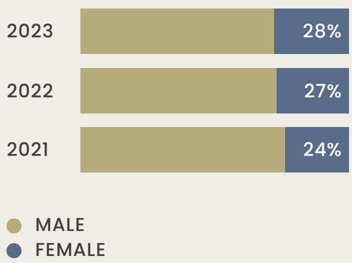
17-84
AGE GROUP SPREAD

726
EMPLOYEES WITH FIVE-PLUS YEAR TENURES

Our driving force

Our people are the foundation of our organisation. It is critical that we continue to invest in our people and support their performance and development throughout their careers.

PERCENTAGE OF FEMALE EMPLOYEES



Fostering an inclusive workplace

We recognise the value that an inclusive and diverse workforce can bring to our organisation, growers and the communities in which we operate.

Thriving organisations rely on all employees to align to, personally value and be inspired by their culture and purpose.

CBH values the diversity of all of our people who work tirelessly to deliver services to the grain growers of Western Australia and our Path to 2033 Strategy.

Our reconciliation journey

We are committed to learning and growing as an organisation, and our Reflect Reconciliation Action Plan (RAP) is a key part of this journey.

In July, we released our inaugural RAP, which outlines the steps we are taking to build and enhance relationships with Aboriginal and Torres Strait Islander peoples, foster trust and respect, and enrich our understanding of their culture, histories and knowledge.

Our RAP aligns with our values of Collaborative, Respectful, Reliable and Sustainable. These values will guide us as we create an inclusive and culturally safe workplace, and as we work to build a shared future.

Read our RAP

Becoming an Upstander program

Inclusion for our people requires investment in shared understanding to remove unconscious biases. Becoming an Upstander is a three-hour in-person program for employees to help identify inappropriate behaviour, sexual harassment, bullying and racism in the workplace.

The program empowers and encourages employees to call out inappropriate behaviour, with a focus on early intervention and prevention. The training is aligned with our new values, particularly 'Respectful'. This year, an additional 150 employees completed the training, bringing the total to more than 900 since the program was launched in 2022.

A significant regional employer

Each year we recruit harvest casuals to work at more than 100 sites across Western Australia. This provides a great opportunity to live, work and explore our regions during harvest – from about October through to January. A total of 2,100 harvest casuals were employed for the 2022/23 harvest and more than 6,000 applications received ahead of the 2023/24 harvest. Our new career's website was launched prior to the campaign, providing applicants with an improved user-experience throughout the application and on-boarding process.

Investing in our people

"We want to build a team with diverse thinking and diverse experiences. Repositioning our advertisements gives us a chance to recruit the best talent in the market." - Sam Gliddon, Chief Project Delivery Officer

Supporting leaders

CBH has a Leadership Development project which is designed to support our leaders in every stage of their leadership journey at CBH. Importantly, it is designed to build the long-term capability that will support the Path to 2033 Strategy and is aligned with our values.

Harvest Ready

This year we launched the first program in the Leadership Development project: Harvest Ready. Harvest Ready is designed for those who are promoted into site leadership roles during harvest, which for many, is their first time leading a team. Harvest Ready was deployed across all sites to more than 200 team members. Pleasingly, 98 per cent of participants said the training provided practical tools and strategies that can be applied to their role.

Leading Teams

In alignment with our values refresh, this year we launched our Leading Teams program. Leading Teams has been designed to raise awareness of a leader's role in the embedding of our new values. This day-and-a-half program has been attended by over 150 leaders at CBH.

Australian Rural Leadership Program

We continued to support our leaders through the Australian Rural Leadership Program. This program is a 15-month intensive learning experience and is specially designed for individuals who want to respond to regional, rural and remote Australia's most complex challenges and opportunities. This year's participant is Collette Newton, General Manager - Geraldton Zone.

EST. 1933 90 HARVESTS STRONG

Chief Operations Officer Mick Daw started working for CBH as a harvest casual (Receival Point Operator) at Ravensthorpe during the 1988/89 harvest. By April 1989 he was offered a permanent position and has since worked in a variety of roles across the state. Most notably, Mick led the Operations team through the record 22.9 million tonne harvest.

L-R: Julia Yip, Hannah Shipley, Cherry Chen and Sarah Namazi.

Women in engineering

This year we welcomed four new female engineers into the Project Delivery team.

The new starters joined after we implemented several changes to the way we advertise our engineering roles, including:

- more gender neutral and values-based language
- highlighted flexible working arrangements such as part-time, job-share and working from home options
- encouraged applicants to call us if they didn't meet the full criteria.

We were pleased to see a five-fold increase in female job applicants for engineering roles compared to last year.

Acknowledgement of Service

25 Years

Craig Gault
Mark Pinney
Matthew Bailey
Peter Caley
John Holler
Mitchell Kalpakoff
Adrian Carter
Jeremy Mortimer
Mark Iacus

30 Years

Jamie Leeson
Erin Healy
Wesley Ireland
Patrick Morton
Stephen Maher
Stuart Reid
Terrance Rowe

35 Years

Warren Caley
Darron Jenkins
William Singer
Mark Athanasoff
Darryl Follington

40 Years

Trevor Thompson
John Burton
Kim Thornton

45 Years

Kathleen Bloomfield
Geoffrey Desmond
Ramla Senihin
Robert Partington

Thank you for your long-standing dedication and contribution to CBH.

Our stories

L-R: Jody McMiles, Christie Parsons and Rikki McMiles at the CBH Delhi Gift in 2013.

VERNON MCMILES

"The seasonal work was hard work, but fun. And if you work hard for CBH, it allowed you to progress your career. It did for me, and I can't thank them enough."

McMiles family dedicates 183 years to CBH

In 1975, John 'Putty' McMiles started working for CBH as a Receival Point Operator at Bilbarin. Little did he know, he would kickstart a McMiles family legacy spanning four generations.

At least 17 members of the McMiles clan have since worked for CBH, collectively dedicating at least 183 years to the co-op.

In the early 1980s, John was joined by his younger brothers Kevin, Grant and Vernon.

Today, four family members remain at CBH, including John, who is now a Gang Truck Driver at Koorda.

He is joined by his nieces Jody McMiles (Area 4 Manager), Rikki McMiles (Senior Quality Specialist), and Sarah John (Receival Point Operator in Area 13).

John McMiles (centre) with Jaylon Chief Executive Stephen Lloyd (left) and Jaylon Factory Manager Nizam Yatiha (right) with the 50,000th tarp the company has produced for CBH since 1993.

Scan to read the full story

BRIAN DAVIES

"I'm always telling people that even if there's a casual job coming up [at CBH], go for it, because it's done me well."

CBH like family after 50 harvests

It was hard, itchy, dusty work when Brian Davies started as a casual Receival Point Operator at Koorda in 1967. He was just 17 years old.

"Even though the work was hard, I still enjoyed it," he said.

"I was young and fit, I made great friends – it was like a family.

"And my goal was to become a supervisor, and I got to do that."

Brian is one of two people in our co-op's 90-year history to clock up 50 years, having retired in August last year.

He spent 15 years as the supervisor in the Morawa district and later the Merredin district.

Then in 1994, he and his family moved to Kwinana where he took up the role of supervisor and relief terminal manager on a couple of occasions.

Brian Davies with a country elevator at the Kwinana grain museum. Credit: Farm Weekly

Scan to read the full story

JOHN BURTON

"CBH has been considered by my family as a reliable employer and job satisfaction has played a part in why they stayed for so many years."

The Burton's dedicate 145 years to CBH

This year marks John Burton's 40-year anniversary at CBH, adding to a family legacy of Burton's who have collectively worked at CBH for a total of 145 years.

John started at CBH on 3 March 1983 as a casual Receival Point Operator (RPO) in the Merredin district at the age of 18.

Over the years, he has worked as an RPO in Area 1 and 12, RPO and Plant Operator at the Geraldton Port, and for the past 15 years a Gang Truck Driver in Area 1.

"CBH has been a constant for me and I have worked with some amazing people over the years," John said.

Six other Burton's have worked at CBH, including John's son Marshall Burton who also started as a casual RPO and is now an Electrician in Area 2 and 3.

John Burton, pictured third from the left with the Merredin crew in 1986.

Scan to read the full story

Competitive local fertiliser

232,000
TONNES OF FERTILISER OUTTURNED, OUR HIGHEST TO DATE

32,000
TONNES OF LIQUID STORAGE CAPACITY OPENED AT KWINANA

55,000
TONNES OF ADDITIONAL BULK GRANULAR FERTILISER CAPACITY OPENED AT KWINANA

27%
OF BUYERS WERE NEW CUSTOMERS

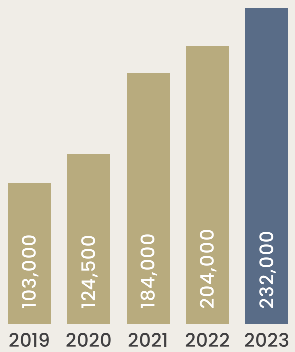
11%
OF WA FERTILISER MARKET SHARE

Value from the ground up

Our Fertiliser division continued to grow, entering the liquid fertiliser market and expanding its granular offering after the opening of our new Kwinana facility.

The record outturn volumes were propelled by our market leading prices, particularly for Urea Ammonium Nitrate (UAN) and urea. At times, we offered prices up to $350 per tonne lower than our competitors, providing growers with access to prices that better reflected the softening international market.

FERTILISER TONNES OUTTURNED



Record outturns driven by competitive prices

In 2023, we outturned 232,000 tonnes of product – a 14 per cent increase on last year and our largest volume in our eight years of operation.

We achieved this despite an overall decrease in fertiliser demand across the WA grainbelt due to relatively dry seasonal conditions and lower grain prices.

In June, we broke our monthly outturn record, with 60,000 tonnes of liquid and granular fertiliser outturned from our Kwinana, Geraldton and Esperance sites.

This is more than the entire volume outturned from the business in its first year of operation in 2015.

The opening of our new Kwinana Fertiliser Terminal and significant growth in the Esperance region facilitated our record sales.

Kwinana Fertiliser Terminal opens

In March, we opened our new Kwinana facility, marking our entry into the liquid fertiliser business and the expansion of our granular fertiliser capacity.

The facility is wholly owned by CBH and operated by CBH Fertiliser, with capacity to store 32,000 tonnes of UAN and 55,000 tonnes of bulk granular fertiliser.

Located adjacent to our Kwinana Grain Terminal, it leverages our existing infrastructure to drive efficiencies, reducing the handling and freight costs passed on to growers.

More than 21,800 tonnes of liquid fertiliser was outturned from the facility in 2023, supplying 168 Western Australian growers from Geraldton to Esperance with high-quality UAN.

The opening of the Kwinana facility marks a significant milestone for CBH Fertiliser and ensures we are well on our way to deliver our strategic objective of holding a 15 per cent market share in Western Australia by 2033.

First UAN shipment

To supply the new Kwinana facility, our maiden UAN shipment arrived in April, becoming the first non-grain vessel to berth at the Kwinana Grain Terminal since 1974.

We received 23,800 tonnes of UAN aboard the Fairchem Blue Shark, following its 46-day journey from Donaldsonville, Louisiana in the United States.

The UAN was transferred via a purpose-built 1.5 kilometre pipeline into two tanks at the facility.

The vessel was the first of many that will discharge at the new facility, ensuring a consistent supply of high-quality liquid fertiliser for Western Australian growers for years to come.

Watch video

Esperance growth

After opening in 2022, our Esperance fertiliser facility grew significantly this year. We outturned 50,000 tonnes of product – a 68 per cent year-on-year increase (up from 29,800 in 2022). Our expansion into the Esperance Zone has helped to increase our market influence and continue to put downward pressure on input costs for growers.

Operations today and tomorrow

22.9m
TONNES RECEIVED INTO THE NETWORK

98
SITE RECORDS BROKEN DURING HARVEST

10
MONTHLY RAIL RECORDS BROKEN

603,327
TONNES RECEIVED IN ONE DAY

9
MONTHLY ROAD AND SHIPPING RECORDS BROKEN

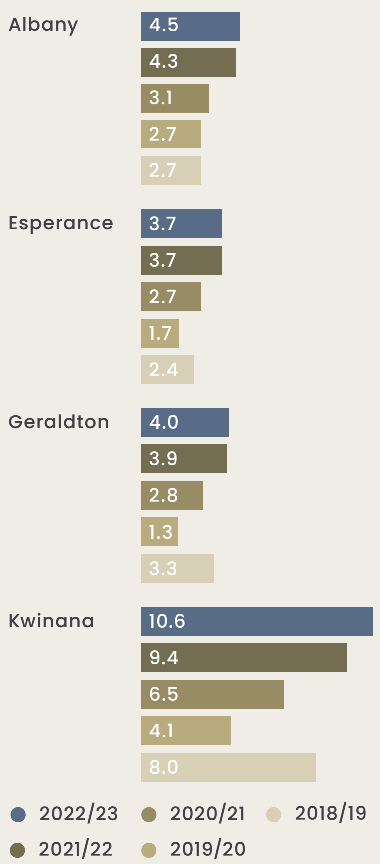
21.9m
TONNES DELIVERED TO OUR CUSTOMERS

2.2m
TONNES MONTHLY SHIPPING RECORD (DEC 2023)

Reaching new heights

Our 90th year has been a year of records for Operations, with the team accomplishing significant achievements and milestones.

GRAIN RECEIVED IN EACH ZONE
(million tonnes)



From breaking receival records right through to an extensive outloading program, the team has lived our values and demonstrated resilience, adaptability and unwavering commitment to deliver and return value to Western Australian grain growers. Despite the massive task of another record crop and employing a record number of harvest casuals, we achieved one of our safest years on record.

Preparing for another record harvest

A key focus for the team in preparing to receive the 2022/23 crop was outturning as much of the previous crop as possible and adding storage to key network sites.

The CBH team and our road and rail contractors outturned 18.1 million tonnes of the 2021/22 crop to our customers before harvest started. This put us in a reasonable position to prepare for the 2022/23 harvest where we opened 120 sites. While this was 10 sites less than we opened the previous year, we were able to receive an extra 1.3 million tonnes of grain.

During harvest, Western Australian growers delivered a record breaking 22.9 million tonnes at a rapid rate. For the first time in the co-operative's history, we received more than 600,000 tonnes in one day.

Almost 100 individual site records were set across the network, including 53 sites that set daily tonnage records and 45 sites that exceeded their previous record for total tonnes delivered to the site in one harvest.

Outloading records unlocked

In addition to the receival records, we also achieved an extraordinary amount of outturn records.

Road and rail

These records were supported by the exceptional performance of our road and grower subcontractors who moved 8.3 million tonnes of grain directly to our ports, breaking nine monthly records in the process.

Our rail performance also significantly improved with Aurizon helping to move 11 million tonnes, breaking 10 monthly records.

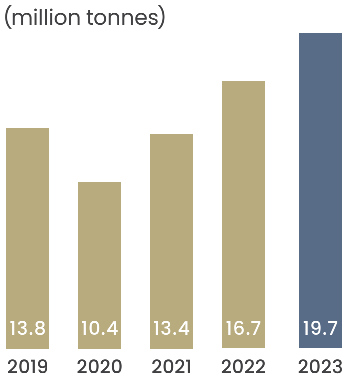
Operations today and tomorrow

Our team and the supply chain has again delivered a strong, record-breaking performance. We are working towards achieving our target of exporting 2 million tonnes per month by 2024, the first horizon of our Path to 2033 Strategy.

Shipping

As a result of the logistics records, we were able to set a new shipping record of 19.7 million tonnes, which also broke nine monthly records statewide. This was 3 million tonnes more than last year and a 56 per cent increase on the five-year average.

SHIPPING RECORD
(million tonnes)



In addition the Albany, Esperance and Kwinana zones broke their annual shipping records. Working closely with our international and domestic customers enabled us to optimise port efficiencies and unlock additional tonnes through our ports.

Outturns

A total of 21.9 million tonnes was delivered to our customers including 1.7 million tonnes delivered to domestic customers with the difference going to container and other outturns. The domestic outturns increased by 67 per cent year-on-year, with monthly records broken every month.

Protecting grain quality

As part of our Sustainability Plan, our goal is to have the ability to trace 100 per cent of individual truck loads for chemical residue – something not done by any other grain bulk handler in the world. This year, using improved and automated processes and systems, we collected and stored 46 per cent of all individual truck loads for the purpose of chemical residue traceability compared to 42 per cent last year. Improved chemical residue traceability maintains market access and creates a competitive advantage for Western Australian grain. A recent CBH customer survey showed that 91 per cent of customers rated chemical residue testing as 'very important' – the highest response on the survey.

EST. 1933 90 HARVESTS STRONG

A simple shovel attached to a chain with an engine-driven pulley, commonly referred to as the 'Clarke Shovel' was used in the early 1930's to shift grain around the open bulkheads and to load trains. As methods advanced, the shovel was replaced with a sheet of corrugated iron that enabled our frontline to move a greater mass of grain at once. Fortunately, our technology has advanced since then with controlled fixed machinery, front-end loaders and mobile app technology, enabling our teams to work safer, smarter and more efficiently.

Celebrating 20 harvests at AGC

This year marks two decades since CBH's Australian Grains Centre (AGC) opened, with the centre continuing to be at the forefront of grain technology and innovation.

Through leading practices in grain quality testing, automation, accreditation and software, the team facilitates data-driven decisions to protect the value of Western Australian growers' grain and maintain market access.

Achievements over the past 20 years:

- In-house chemical residue testing and management.
- qPCR testing for genetically modified (GM) canola detection and management.
- National Association of Testing Authorities (NATA) Accreditation for all laboratory methods, which provides an independent benchmark for technical competence and also demonstrates to customers CBH's commitment to safety, quality and reliability of services.
- Automation of reference samples which are used to centrally monitor Infratec accuracy.
- Automation of sample registration, packing and storage for residue testing.
- Biosecurity accreditation which allows AGC to import and export samples to domestic and international customers.
- Introduction of Quality Optimisation for growers, which has enabled more flexibility and control managing their grain quality, reducing the need to blend on-farm.
- Central software support function for Operations.
- Development and implementation of phosphine management strategies which allows a low-cost solution to control grain insects and maintains low level resistance to phosphine.
- Investment into the future in alternate strategies for grain insect control to complement and extend the life of phosphine.

Investing in our network

Record $572.7m

INVESTED IN THE NETWORK AND IN MAINTENANCE

$173.6m

INVESTED IN SUSTAINING CAPITAL PROJECTS

436,000

TONNES OF NEW PERMANENT STORAGE ADDED TO THE NETWORK

2.3m

TONNES OF TEMPORARY STORAGE ADDED TO THE NETWORK

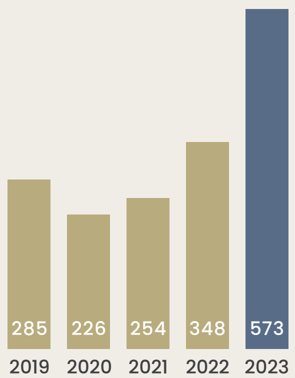
Rail fleet expansion

NEW LOCOMOTIVES AND WAGONS ORDERED

Building for tomorrow

We are continuing to maintain and improve our supply chain and network to meet the increasing crop size and evolving customer demands, which will continue to sustainably create and return value to growers.

INVESTED IN THE NETWORK
($million)



This year we continued our significant and sustained investment in the network to help achieve our Path to 2033 Strategy of reaching a peak monthly export of 3 million per month in the first half of the year.

Our balanced investment continued, growing our network, sustaining our infrastructure and improving our assets to further increase logistical capacity.

Throughout the year we made a record-breaking, network-wide investment of $572.7 million, including:

- $328.3 million on network capital, expanding and enhancing sites and the deposit for new locomotives and wagons, expanding our rail fleet
- $173.6 million on sustaining capital projects
- $70.9 million on a scheduled maintenance program

Outloading in focus

This year we made significant progress developing our rapid rail outloading projects.

In February we commenced the first rail siding extension project at Brookton, funded as part of the $200 million Federal and State Governments' Agricultural Supply Chain Improvement (ASCI) initiative.

The Brookton rail siding project was completed in August, less than six months after the construction started.

The rail siding extension is delivering benefits through reduced train turnaround times, simpler shunting plans, less manual handling, and improved safety. This is having an immediate effect on our outloading capacity, ensuring our supply chain can export more grain to customers when needed.

At our Broomehill site, construction of the rail siding extension and rapid rail outloading infrastructure began in May, and is progressing well.

We are continuing to progress the remaining nine rail siding projects - Moora, Cranbrook, Avon (Meenaar), Kellerberrin, Dowerin, Konnongorring, Ballidu, Mingenew and Perenjori North – through the various regulatory approvals.

At the same time, we are procuring long lead items for track and loading facilities, ensuring we are ready to begin construction once approvals are obtained.

Upgrading our network sites

During the year, $328.3 million was invested in expanding and enhancing the network through site upgrades.

This year, key site upgrades were undertaken at our Narngulu, Morawa, Latham, Borden and Nyabing sites.

These improvements are critical for us to increase our future tonnes to port capacity, linking key sites like Nyabing and Borden to complement rapid rail outloading at Broomehill, and expanding our port precinct sites, such as Narngulu.

Collectively, these five site upgrades have added a total of 436,000 tonnes of permanent storage to the CBH network.

Scan to watch our latest network videos

In addition to these site upgrades, over 2.3 million tonnes of temporary storage was added at 39 network sites. Significant accommodation upgrades were completed at Moora and Koorda to improve these facilities for our people.

The upgrades result in an improved grower experience, grain movement efficiencies and better safety outcomes.

Expanding our rail fleet

During the year we embarked on three tender processes for new standard-gauge locomotives, narrow gauge locomotives, and both standard-gauge and narrow-gauge wagons.

In December, we entered into an agreement with Progress Rail to purchase seven GT46C-ACE Gen II diesel standard-gauge locomotives.

In June, we finalised the tender process and entered into agreements with Wabtec Corporation and CRRC Meishan for locomotives and wagons respectively.

Wabtec Corporation will provide CBH with 17 CM20ACi dual-cab, diesel-electric narrow-gauge locomotives.

CRRC Meishan will supply CBH with 200 standard-gauge and 450 narrow gauge grain hopper wagons.

This is CBH's most significant investment in our supply chain since we purchased the first rail fleet in 2011.

Read more (Wabtec)

Read more (CRRC Meishan)

Read more (Progress Rail)

Sustaining and maintaining our assets

To ensure the longevity and functionality of our assets, we invested $173.6 million in sustaining capital projects, and a further $70.9 million in a scheduled maintenance program.

Key projects included:

- continuing refurbishment of the Geraldton steel silos
- a network-wide sealed storage refurbishment program to extend the life of more than 400,000 tonnes of fixed storage at Yuna, Mukinbudin, Wagin, Grass Patch, Cascade, Albany Grain Terminal and Kwinana Grain Terminal
- annual port shutdowns
- roadworks and resurfacing of open bulkheads
- improving safety for our teams on site, including conveyor guarding, grid covers and height access safety
- mobile equipment acquisition – including multi-loader stackers, front end loaders and drive-over grids - to bolster our fleet and replace our aging assets to support our frontline teams
- electrical and weighbridge upgrades.

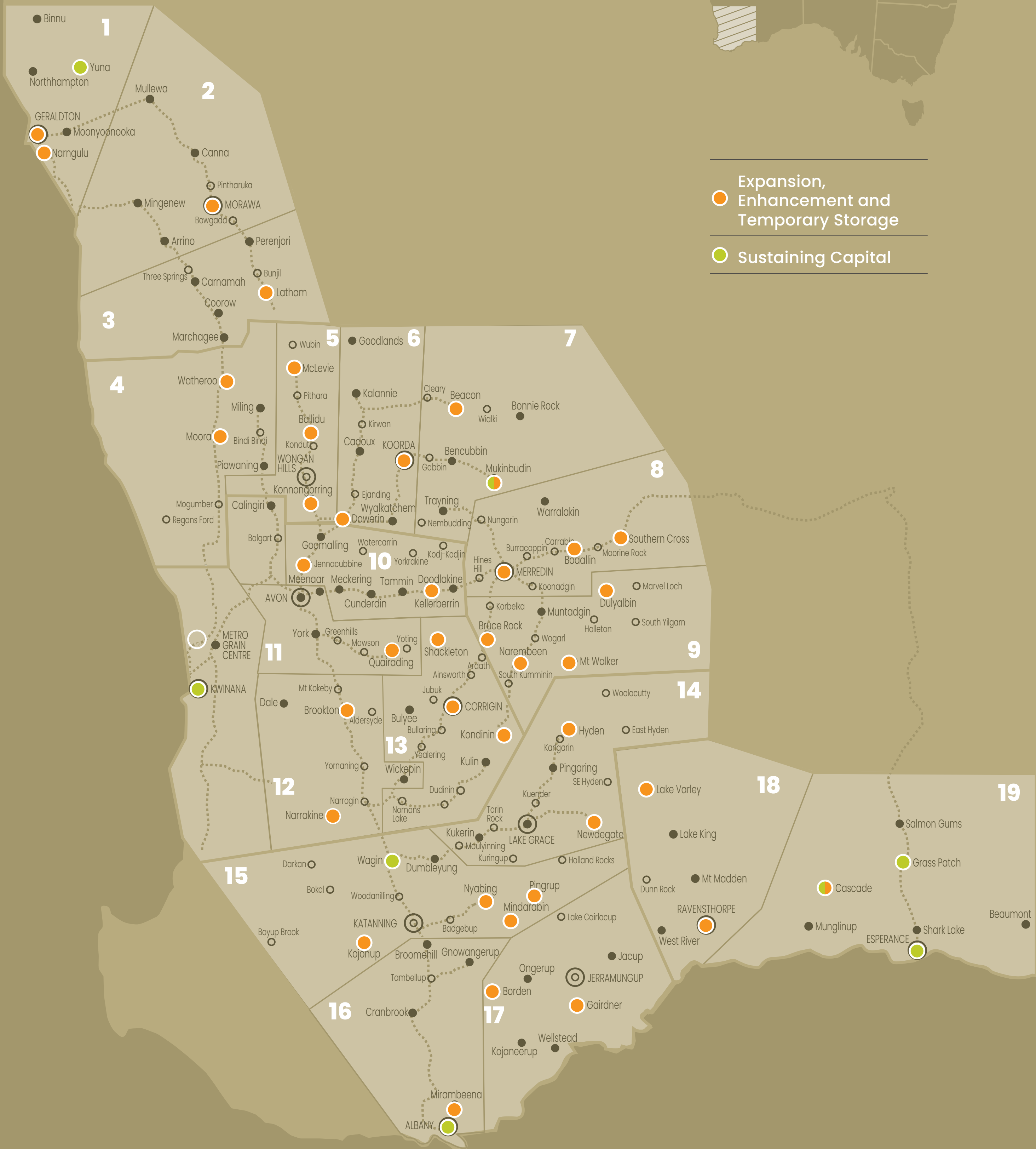
Major network projects completed in 2022/23

Albany	Esperance	Geraldton	Kwinana North	Kwinana South
Nyabing site upgrade	Cascade sealed storage refurbishment	Continuation of Geraldton Grain Terminal steel silo refurbishment	Mukinbudin sealed storage refurbishment	Kwinana Grain Terminal wharf and jetty remediation
Borden site upgrade	Grass Patch sealed storage remediation	Latham site upgrade	Koorda accommodation build	Brookton rail siding extension
Wagin circular sealed storage refurbishment	Esperance Grain Terminal shutdown and flow path upgrades	Narngulu site upgrade	Moora accommodation build	Corrigin, Kellerberrin, Shackleton, Kondinin, Narrakine, Meenaar and Quairading temporary storage builds
Albany Grain Terminal dust system upgrade and corrosion mitigation	Ravensthorpe, Cascade and Lake Varley temporary storage builds	Morawa site upgrade	Watheroo, Moora, Mukinbudin, Beacon, McLevie, Konnongorring, Ballidu, Merredin, Narembeen, Southern Cross, Koorda, Dowerin, Mount Walker, Bruce Rock, Dulyalbin and Bodallin temporary storage builds	
Gairdner, Kojonup, Chillinup Road, Pingrup, Newdegate, Mirambeena, Nyabing and Hyden temporary storage building		Yuna sealed storage remediation		
		Carnamah, Latham, Narngulu, Morowa and Mingenew temporary storage builds		

Major network projects completed in 2022/23

Expansion, Enhancement and Temporary Storage

Sustaining Capital



Gateway to global markets

43%
ACCUMULATION OF THE WA CROP

19%
MARKET SHARE OF AUSTRALIA'S BULK GRAIN EXPORTS

8.9m
TONNES OF GRAIN EXPORTED BY MARKETING & TRADING

25%
OF GRAIN SHIPPED WAS SUSTAINABLY CERTIFIED

Australian first
CARBON NEUTRAL GRAIN CERTIFICATION

$4.8b
PAID TO WA GROWERS FOR THEIR GRAIN

Market access for growers

Our Marketing & Trading division continued to drive value for growers despite market challenges and set a new bar for shipments and sustainability.

Driving value

This year our Marketing & Trading (M&T) division reported a surplus of $176.3 million. The majority of this surplus - $170 million – will be paid as a fully franked dividend to the CBH parent company for the purpose of network investment, while the remainder will support M&T's equity position.

This year's surplus was primarily driven by market volatility from the ongoing Russia/Ukraine conflict, and by China's re-entry as a major importer of Australian barley. While international grain prices softened from the record highs seen in early 2022, our traders successfully managed these risks and maximised market opportunities as they arose.

Locally, supply chain limitations contributed to difficult marketing conditions for growers. A second consecutive record crop exceeded our export capacity and reduced grower access to strong international prices. This reduced competitive tension within the local grain market, softening prices to levels below international parity.

To drive Western Australian grain prices closer to international values for the benefit of growers, we implemented a Dynamic Pricing Strategy offering prices well above our competition. We believe this drove upward movement in the local grain market.

Despite our positive intentions, we recognise our Dynamic Pricing Strategy caused frustration. Volume limits, staggered pricing times and trading suspensions put in place to ensure fair access to our prices made it difficult for growers to sell grain to CBH when you wanted to. We began removing contracting restrictions in May when a combination of strong supply chain performance and the reduced production outlook returned local market dynamics to a more competitive environment.

Despite these challenges, M&T bought 9.4 million tonnes (43 per cent) of Western Australia's record 22.9 million tonne crop and paid $4.8 billion to Western Australian growers.

We shipped 8.9 million tonnes of grain aboard 183 bulk vessels and 337 container vessels. This is the second highest volume of grain shipped in the division's history.

Key markets for WA grain

China re-opens for Australian barley, boosts wheat imports

In August, we welcomed the removal of anti-dumping and countervailing duties on Australian barley in effect since May 2020. We also welcomed the removal of the suspension on our M&T division for barley imports into China. In the two months following the market's re-opening, M&T shipped two vessels of barley to China and continued to export wheat into China at record pace.

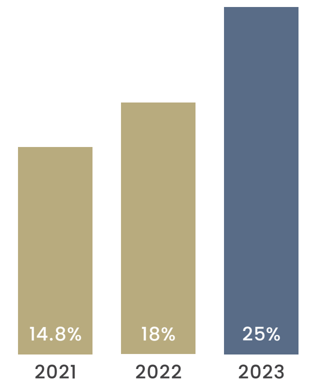
Low protein WA wheat in demand from Indonesia

The Indonesian market has always been important to Western Australian wheat growers, whose lower protein milling wheat varieties are highly sought after by instant noodle manufacturers. With an abundance of ASW9 graded wheat grown in Western Australia this season, we were able to increase our volumes to Indonesia year-on-year by 18 per cent. We sold more than 1 million tonnes of wheat into Indonesia.

Gateway to global markets

By reducing our carbon footprint along the grain supply chain we aim to meet the increasing customer demand for sustainable products and improve market access for Western Australian grain growers.

M&T'S ISCC CERTIFIED GRAIN SALES
(%)



Growth of sustainably certified grain

Demand for sustainably certified grain continued to grow, and with record production in Western Australia this year, close to 2.3 million tonnes of grain was certified through the International Sustainable and Carbon Certification (ISCC). This accounts for about 25 per cent of all grain shipments, the highest in our 13 years of participation in the program.

Historic carbon neutral certification

In June, CBH became the first grain marketer in Australia to achieve carbon neutral certification for a product under the Federal Government's Climate Active program.

As part of a trial, M&T teamed up with 12 Western Australian growers and other industry stakeholders to certify 10,000 tonnes of malt barley.

Each grower worked alongside their consultants to calculate the carbon emitted in the production of the barley from paddock to site, and CBH calculated carbon emissions from site to port.

Australian Carbon Credit Units (ACCUs) generated from the Peniup Private Conservation Reserve Project

Regional Exporter award

This year, we won the Regional Exporter category at the Western Australian Export Awards. The award recognises outstanding international success by a business whose head office and/or majority of operations are based in a non-metropolitan location. We were also finalists in the Agribusiness, Food and Beverages, and Sustainability and Green Economy categories.

in the Albany Zone were purchased to offset any remaining emissions generated from grain production through to delivery to a CBH port.

The barley was sold to domestic and international customers.

With growing demand for sustainably produced grain, we will continue to explore opportunities to ensure Western Australian growers are well positioned to access this burgeoning market.

Read more

Record Albany shipment

As part of a trial, the largest vessel to berth at CBH's Albany terminal was loaded with canola in January.

The Efessos Wave was filled with 64,003 tonnes of canola destined for the European market.

The large post-panamax vessel, which is wider than other vessels that have used the harbour, allowed us to load an additional 4,000 tonnes than traditional vessels.

By increasing volumes loaded onto ships, CBH can increase port throughput, reduce freight costs and decrease emissions, allowing us to return greater value to growers.

Grower-focused products

Due to limited access to cash pricing this year, there was a high level of interest for our harvest pools.

To accommodate the strong demand for pools during late 2022, open access deferred sales pools were introduced in December to utilise 2023/24 export capacity. Pools accounted for 23 per cent of M&T's accumulations, up 9 per cent on our five-year average.

All 2022/23 Flexi–Starter pools were finalised with returns outperforming the average CBH cash price during the same marketing window by $53 - $152 per tonne. Our 2022/23 Wheat Harvest Pool finalised in September, achieving a record high return for growers.

Grower uptake of our Pre-Pay Advantage (PPA) product declined this year, with many growers in strong financial positions after two record-breaking seasons. Despite this, the PPA product provided working capital to 228 farm businesses with $101.2 million approved.

Use of our Swaptions product also declined this year due to previous market conditions, although with basis strengthening considerably over the back half of the season the product has performed well for those who utilised it as a risk management tool.

EST. 1933 90 HARVESTS STRONG

This year marks 20 years since our Marketing & Trading division (formerly the Grain Pool of Western Australia) merged with CBH to form the CBH Group. The merger was a defining moment for CBH, beginning the transformation of the co-operative into an integrated organisation focused on delivering a greater share of the grain value chain to growers.

Selling with DailyGrain

11%
INCREASE IN NEW DAILYGRAIN MEMBERS

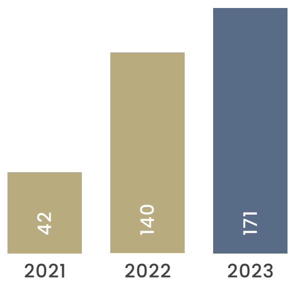
250
GROWERS TRADING ON MARKETPLACE

171,000
TONNES TRADED THROUGH MARKETPLACE

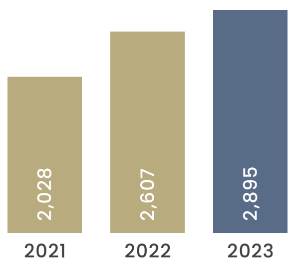
DailyGrain
Sell with Confidence

Our popular platform provides growers with everything they need to trade confidently – anywhere, any time.

TONNES TRADED
(THOUSAND)



GROWER-MEMBERS



EST. 1933
90
HARVESTS
STRONG

CBH bought DailyGrain in 2010 after acquiring a 50 per cent stake in the business in 2009. Since then, the purpose of the platform remains the same: to make finding marketers' live prices easy for growers.

DailyGrain is CBH's online grain price discovery and free trading platform designed to help Western Australian growers with their grain marketing decisions.

The basic DailyGrain membership is free to all grower members. The paid premium membership option provides additional value through daily price notifications, the ability to set price alerts and the use of OptimiserPLUS.

Quick and easy insights

This year, DailyGrain's membership continued to grow, with more than 3,000 growers, marketers and consultants. Grower membership has grown to around 2,900 which represents an 11 per cent increase compared to last year.

The primary role of DailyGrain is to provide Western Australian growers with timely access to daily grain prices. Through DailyGrain's online platform and mobile applications, growers can easily access daily prices, trade grain for free, receive pricing notifications and engage with leading buyers who are servicing the Western Australian grain market.

DailyGrain continues to be a highly efficient platform, with minimal internal resources required to support its operation, allowing for maximum grower value.

Record trading

Trading via DailyGrain's trading platform, MarketPlace, reached new highs this year, with more than 250 growers trading compared to 151 last season. Grower offers also increased on MarketPlace with just under 800,000 tonnes placed on offer, almost double the previous season. This season has been the highest volume of trades since it was released in 2017.

This year a record 171,000 tonnes were traded on MarketPlace compared to 140,000 tonnes last year. The improvement in activity comes from a greater number of members using the platform, and consultant support continues to increase (more than 20 this year compared to five in 2021). DailyGrain will continue to enhance and review product features to best meet the needs of Western Australian growers.

The daily indicative pricing and a fee-free MarketPlace remains a critical element of the grain marketing landscape and we are committed to ensuring growers gain value from the suite of products on offer.

A better user experience

A new website was developed for DailyGrain this year. The website provides growers with more information and is tailored to support their grain marketing decisions and use of the DailyGrain platform – whether they are in the office or paddock. It also features user stories, tips and tricks and FAQs. The new website went live in October 2022.

Since the purchase of DailyGrain in 2010, we have continued to invest in the platform, with significant upgrades in 2015, 2017, 2021 and 2022.

Visit the DailyGrain website

Investing in the grain value chain

CBH is invested in the manufacturing and processing of grain to support both the domestic market and the growing demand in Asia.

CBH entered a joint venture with the Salim Group to buy Interflour in 2004. The business started with six flour mills in Indonesia, Malaysia and Vietnam and has since expanded to nine flour mills, including one in the Philippines. Today, Interflour is a leading flour miller in South-East Asia with a total wheat milling capacity of over 7,000 tonnes per day, supplying over 1.5 million metric tonnes of wheat milled annually to the growing South-East Asian market.

BLM began processing rolled oats in South Australia in 1875. In 2006, BLM expanded its operations to Victoria followed by an expansion to Forrestfield in Western Australia in 2017. Today, BLM continues to specialise in oat milling products including rolled, quick and instant oats as well as manufacturing, packaging and distributing an extensive range of niche cereal flakes, brans, flours and premixes.

Interflour Group

$0.1m

CBH'S SHARE OF INTERFLOUR GROUP'S PROFIT AFTER-TAX

50% stake since 2004

Interflour faced a number of challenging conditions during the year, with its profit impacted by a challenging trading environment as a result of high grain prices. This reduced flour margins as the higher cost of grain was not able to be recovered from increases in flour prices. Interflour also experienced two separate third-party incidents at the Vietnam Port, which resulted in physical damage and the shutdown of port operations. Given these challenges, Interflour generated an after tax profit, with CBH's share equating to $0.1 million.

Blue Lake Milling

$4.3m

BLUE LAKE MILLING'S PROFIT AFTER-TAX

Purchased in 2015

This year, Blue Lake Milling (BLM) reported an after-tax profit of $4.3 million up from $3.6 million last year, with sales volumes only slightly down on weaker demand for manufactured oats, particularly in the export market. The higher profit was mainly driven by the reduction in export freight rates since last year.

Sustainably creating value

80%

OF OUR CUSTOMERS CONSIDER SUSTAINABILITY 'IMPORTANT' OR 'CENTRAL' TO THEIR BUSINESS STRATEGY

36%

OF OUR CUSTOMERS ARE WILLING TO PAY MORE FOR SUSTAINABLE PRODUCTS

46%

OF ALL INDIVIDUAL LOADS TESTED FOR CHEMICAL RESIDUES

25%

OF GRAIN SALES CERTIFIED SUSTAINABLE

1st

GRAIN MARKETER IN AUSTRALIA TO ACHIEVE THE GOVERNMENT'S CARBON NEUTRAL CERTIFICATION

Looking to the future

Sustainability has always been at the heart of our co-operative, and we are committed to delivering sustainable outcomes for our growers and their communities, today and tomorrow.

Last year we launched a new Sustainability Plan. This section of the annual report provides an overview of the sustainability pillars, why we have them, and what achievements have been made over the past year.

Why are we doing this?

Sustainability has always been a part of the co-operative, with our purpose to sustainably create and return value to growers, current and future.

Our sustainability focus aims to:

- Keep WA growers competitive
- Give our stakeholders confidence
- Support future grain production

What are we doing?

A strong sustainability focus is the right thing to do, but it is also the smart thing to do for our co-operative.

Our Sustainability Plan is focused on what we as a business are going to do. We have identified five pillars to focus on and integrate into our day-to-day business. In each of these pillars, targets have been identified that will drive better outcomes for WA growers.

More information on how we are achieving the targets set out in the Markets, Community, People and Governance pillars are detailed in the relevant sections throughout this Annual Report.

In this section you can find an overview of each pillar and detailed information on how we are achieving targets in the *Environment Pillar*.

Markets: Improving market access

Many of our customers are setting ambitious sustainability targets within their supply chains, aiming to eliminate modern slavery, reduce chemical usage, or achieve net-zero emissions.

We want WA grain growers to remain competitive in meeting customer expectations, so they and their communities can thrive into the future. The targets set out in our Markets pillar aim to address customer needs, increase market access and capture price premiums for WA growers.

What we achieved this year

- 25% of grain sales certified sustainable
- Australia's first grain marketer to achieve carbon neutral certification for a product under the Federal Government's Climate Active program
- 46% of all individual loads testing for chemical residue traceability

Our five sustainability pillars

Markets	Communities	People	Governance	Environment
Maintain and open new markets for WA growers	**WA grain growers and our communities are viable for the long term**	**Attract and retain the best talent**	**Comprehensive and leading governance practices**	**Protect the environment in which we operate**
Lead the industry in sample collection for residue traceability Increase sales of sustainably certified grain	Ongoing community investment Procure more from our regional vendors	Safe people and safe workplaces Diversity and inclusion	Demonstrate and disclose progress on the Sustainability Plan Board Committee responsible for sustainability	50% reduction of Scope 1 and 2 emissions by 2030 Site to Customer net zero emissions by 2050

Sustainably creating value

A strong sustainability focus is the right thing to do, but it is also the smart thing to do for our co-operative.

Communities: Creating local jobs

We want WA grain growers and their communities to thrive. A key part of our Sustainability Plan is putting in place policies to buy more from regional businesses to create more local jobs. We will also make it easier for local suppliers to tender with us.

What we achieved this year

- Implemented a new supplier code of practice to better support local procurement
- Completed thorough community engagement to determine where we should target our community investment
- $1.6 million invested in local communities via the Community Investment Fund
- 37 per cent procurement spend in local grain-growing communities.

People: Attracting and retaining the best employees

We want to attract and retain the best talent who connect with the purpose of our co-operative and our commitment to sustainability.

What we achieved this year

- 6.0 All Injury Frequency Rate – our second safest 12-month period on record
- Launched our first Reflect Reconciliation Action Plan
- Refreshed our organisational values
- Increased our female workforce to 28%.

Governance: Leading governance practices

We want to ensure comprehensive and leading governance practices, geared to driving sustainability performance across our business units.

What we achieved this year

- Engaged FairSupply to improve how CBH manages our modern slavery risks
- Improved data management and supplier interactions.

Environment: Protecting the environment

We want to do our part to protect and enhance the environment in which we operate. We recognise that our natural resources are critical to the success of our co-operative, grain growers' businesses, and our regional communities.

Our environmental targets

- 50% reduction in Scope 1 & 2 emissions by 2030
- Net zero site to customer emissions by 2050

We will reduce our Scope 1 and 2 emissions solely through CBH's own operations and in how we procure electricity.

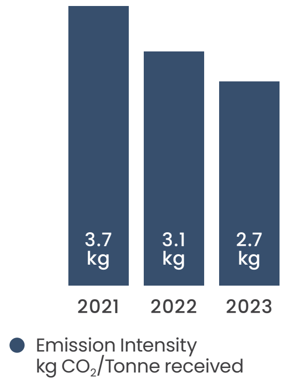
Our emission reduction plan is based on our own renewable energy generation, such as biogas and solar at our port terminals.

About the Environment Pillar

We need to be conscious of the impact our operations have on the environment and on Western Australian grain growing regions.

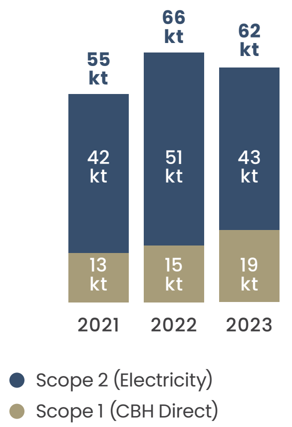
SCOPE 1 & 2 EMISSION INTENSITY*

(CO_2-e / tonne received)



SCOPE 1 & 2

(CO_2-e)



Note: CBH disclosed carbon emissions relate to the period 1 July 2022 to 30 June 2023 to align to *The National Greenhouse and Energy Reporting Act 2007.*

When developing the Sustainability Plan, we considered the impact of the changing climate on the business through future scenario analysis.

This involved future grain production, cost and price scenarios, including an environmental scenario covering climate change and global warming of more than two degrees.

Our analysis shows that the most appropriate strategy for CBH is to continue to plan for grower productivity increases and at the same time reduce our emissions.

We report and measure our carbon emissions in line with the Greenhouse Gas Protocol, which is a classification system to align businesses measuring, reporting and reducing their emissions.

Scope 1 and 2 emissions decreased in 2023 driven by a reduction in Scope 2, which was a result of a lower carbon intensity in the South West Interconnected System. Site-to-customer emissions increased driven by the record amount of tonnes moved from site to port.

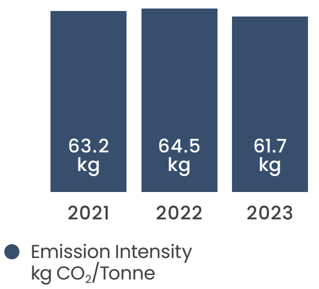
	Scope 1	Scope 2	Scope 3	Site-to-customer
About	Emissions caused directly by CBH and our operations	Emissions released indirectly by CBH	Emissions that occur within our value chain but not owned by CBH or under CBH's direct control	Emissions caused by Scope 1 & 2 plus road, rail and shipping transportation emissions caused by Scope 3
Example	Fossil fuel emissions from front-end loaders on site	Electricity used by CBH across all sites	Emissions from: • On-farm emissions involved in producing grain bought by M&T • Contracted shipping • Contracted trucks • Contracted Trains • Purchased capital equipment	Fossil fuel emissions caused by contractors' trucks
Target	50% reduction by 2030 (from 2021 baseline)		Partial target see Site-to-Customer	Net zero by 2050

Sustainably creating value

Expectations are evolving from our key stakeholders, including customers and governments, to increase our sustainability efforts so our co-operative, environment and communities remain strong for future generations.

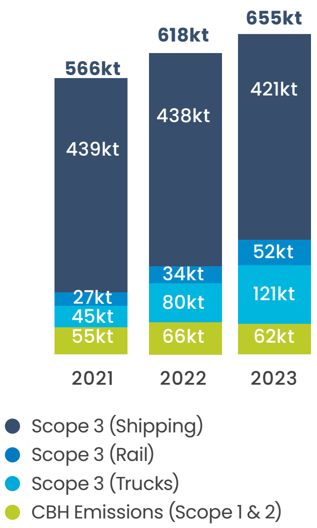
SITE TO CUSTOMER INTENSITY

(CO_2-e)



SITE TO CUSTOMER EMISSIONS

(kg CO_2-e / tonne)



Note: FY22 rail emissions have been restated to align with the updated emission factors by the Department of Climate Change, Energy, the Environment and Water

CBH disclosed carbon emissions relate to the period 1 July 2022 to 30 June 2023 to align to *The National Greenhouse and Energy Reporting Act 2007.*

Achieving our Environment targets

Scope 1 and 2

We aim to reduce our Scope 1 and 2 emissions by accessing more renewable energy, such as solar. Our port facilities and Metro Grain Centre are CBH's biggest power users and where most of our grain and dust waste is captured. We are investigating utilising our waste to lower our emissions through technologies like biogas and pyrolysis. We are currently in the process of determining which technology allows us to better maximise grower value and reduce our carbon emissions.

Site-to-customer net zero

Our 2050 commitment is a signal to our value chain partners that we will work with them to achieve an ambitious goal, primarily through the implementation of technology that lowers transportation emissions.

An example of how CBH will achieve this goal is the recently announced rail locomotive acquisition. This was completed after a thorough procurement process, which included the assessment of low emission options. Moving more grain by rail is about 65 per cent more carbon efficient than road. When compared to CBH's existing fleet, the new locomotives will be about 20 per cent more fuel efficient.

Our sustainability framework

Our Sustainability Plan and reporting is guided by the Global Reporting Initiative Core Guidelines, the Task Force on Climate-Related Financial Disclosures and the United Nations' Sustainable Development Goals.

Sustainability risks and opportunities are considered at both the strategic and operational level. At an operational level, climate and sustainability risks and opportunities are considered via several different mechanisms, such as formal risk workshops, sustainability working groups, and discussions with stakeholders.

Outlined in the sustainability appendix are the key climate risks and mitigating actions, which impact on the sustainability of our co-operative.

Building stronger communities

$15.5m
INVESTED IN OUR REGIONAL COMMUNITIES IN THE PAST 10 YEARS

$520,000
DONATED BY GROWERS THROUGH THE HMMS THIS YEAR

$1.6m
INVESTED IN OUR REGIONAL COMMUNITIES THIS YEAR

$2.7m
DONATED SINCE HMMS STARTED IN 2012

662
SUPPLIERS ENGAGED IN LOCAL GRAIN GROWING COMMUNITIES

Supporting our regions

While CBH has supported Western Australia's regional communities throughout the years, our Community Investment Fund has been officially operating for 10 years.

During the last 10 years, we've invested over $15 million in support of initiatives that contribute to the vitality, development, wellbeing and safety of grain growing regions, promote the agricultural industry, and help to build the capacity of future community and industry leaders.

Refreshing our commitment

Ten years ago, the new Community Investment Fund was established to formalise and carry on the rich tradition of investing in Western Australia's regional communities since the co-op was established in 1933.

During the year, we started a process that looks into how and where CBH is investing in our communities to ensure this ongoing investment approach is fit for purpose and continues to create a positive and lasting impact.

As part of this process, we invited growers, community members, and CBH employees to help shape the future direction of the Fund through completing an online survey or attending one of seven workshops. This input helped to surface valuable insights that are now helping to shape critical elements of how we invest through the Fund. As the process continues, we are ensuring the refreshed plan thoughtfully works to balance the various perspectives and priorities of growers and community members with CBH's strategic business considerations to ensure the long-term sustainability of the Fund.

We remain committed on a vision that our communities are vibrant, thriving and resilient now and into the future, and work on our community investment approach will continue to look into ways that create mutual value for growers, communities, and the co-operative.

Supporting local businesses

Sourcing locally available goods and services is an important part of the co-operative's commitment to supporting local grain growing communities to thrive. This year we engaged more than 2,100 suppliers, including more than 660 suppliers (31 per cent) in local grain growing communities. In addition, 97 per cent of our suppliers were Australian-based business and entities, and 83 per cent were Western Australian based. This equates to 99 per cent of our total procurement spend on Australian businesses and entities, 88 per cent on Western Australian businesses and entities, and 37 per cent spent locally.

Building on this commitment, we updated our supplier code of practice to support local procurement where it is reasonable to do so. Through this ongoing process we learn more about where our suppliers are located and how much we spend in the regions. It positions us well to encourage our direct suppliers to source more subcontractors from regional areas.

Caring for our communities

From investing in future industry leaders to supporting regional communities to establish and retain essential services, we invested over $1.6 million in support of grain growing communities this year.

Supported long-term partner, Clontarf Foundation to continue to improve the education, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander men in regional communities.

Growers donated a record $520,000 to nine charities including Country Women's Association of WA, St John WA and Regional Men's Health Initiative through the Harvest Mass Management Scheme.

More than $100,000 invested in community sport through partnerships with the WA Country Football League, Hockey WA, Tennis West and Bowls WA.

Over $300,000 donated to 91 grass roots organisations, groups and clubs to support a wide variety of community events and projects such as shade structures, sporting facility upgrades, community gardens, agricultural shows and youth mentoring camps.

Supported 172 people to complete a range of leadership and governance courses committed to building capacity within WA's grain growing regions.

More than $300,000 invested in industry through the support of grower groups across grain growing regions, Grower Group Alliance and various industry events.

A new partnership with Netball WA valued at $30,000 to bring greater opportunity to regional netball players through the support of Regional Championships in grain growing communities.

Supported long-term partner, Royal Agricultural Society of WA to educate people on where their food comes from through CBH's interactive display at Perth's Royal Show.

Supported nearly 40 growers to travel to Indonesia and Vietnam as part of CBH's Grower Study Tour which aims to connect WA growers to international customers.

A further $200,000 invested in our Regional Mental Wellness Program which seeks to increase access to mental health services across our grain growing communities.

A new partnership with TRANSAFE WA valued at $25,000, which will help educate current and future road users on how to safely interact with trucks on the road.

Corporate Governance Statement

This section summarises the main corporate governance practices of the CBH Group's framework of governance for the year ended 30 September 2023.

CBH has a comprehensive Corporate Governance Charter in place, which sets out the role, responsibilities and powers of Directors and documents the way the Board of the co-operative functions. The Corporate Governance Charter is regularly reviewed and revised as necessary.

- The CBH website (www.cbh.com.au) contains copies or summaries of key corporate governance policy documents currently in place.

Role and responsibilities of the Board

The Board's role is to govern, rather than manage, the organisation. In governing the co-operative, the Directors must act in the interests of the co-operative as a whole.

- The Board of Directors is responsible to members for the performance of CBH and its controlled entities. The Board of each company within the CBH Group is responsible for all matters relating to the running of that company.
- The CBH Board is responsible for and has the authority to determine all matters relating to the policies, practices, management and operations of the co-operative. It is required to do all things that may be necessary to achieve the co-operative's objectives. The Board has the ultimate responsibility for the successful operations of the co-operative. The role of the Board is documented on the CBH website, however a summary of the principal functions of the Board include:
  - approving and monitoring the overall strategic direction for the CBH Group
  - establishing a framework for corporate governance and an environment of appropriate internal controls
  - determining and approving the appointment and terms and conditions of employment and the terms of removal of the CEO and the Company Secretary
  - determining and approving the setting and measuring of performance objectives and the remuneration and incentives of the CEO
  - appointing appropriately skilled Independent Directors
  - determining and modelling the appropriate culture for the CBH Group
  - focusing on the creation of grower value
  - identifying and monitoring the management of organisational risks
  - monitoring compliance with legislative, environmental, occupational health and safety and ethical standards.

Role and responsibilities of the CEO

The role of the CEO is to be responsible for the day-to-day management of the CBH Group in accordance with the strategy, policies, budgets and delegations approved by the Board. The CBH Group is managed to achieve the goals agreed and endorsed by the Board.

The CEO's responsibilities include:

- ensuring a safe workplace for all personnel at all times
- proposing to the Board any changes to the strategy on an annual basis
- constructing, with the Executive Committee, programs to implement the strategy set by the Board
- selecting and negotiating the terms and conditions of appointment of Executive Committee members in consultation with the Board's Remuneration and Nomination Committee
- acting as spokesperson for CBH Group's performance matters and operational announcements
- acting as spokesperson for the Board on policy and strategic issues as delegated by the Chair or the Board
- providing strong leadership to, and effective management of, the CBH Group in order to:
  - encourage co-operation and teamwork
  - build and maintain staff morale at a high level
  - build and maintain a strong sense of staff identity with, and a sense of allegiance to, the CBH Group.

NAME OF DIRECTOR	DATE FIRST APPOINTED	PERIOD OF OFFICE **	CURRENT TERM COMMENCED	TERM EXPIRES
N A M Browning (Deputy Chair)	23 February 2018	5 years 10 months	25 February 2021	February 2024
M P C Byrne*	17 February 2023	10 months	17 February 2023	February 2026
M L Caughey	17 February 2023	10 months	17 February 2023	February 2026
D A Lock*	22 February 2019	4 years 10 months	18 February 2022	February 2025
G R Rowe	8 June 2021	2 years 6 months	8 June 2021	February 2024
P S Sadleir*	25 February 2021	2 years 10 months	25 February 2021	February 2024
J N Seaby	22 February 2019	4 years 10 months	18 February 2022	February 2025
K M Seymour	20 February 2020	3 years 10 months	17 February 2023	February 2026
S R Stead (Chair)	23 February 2015	8 years 10 months	25 February 2021	February 2024
R P Taylor	8 June 2021	2 years 6 months	17 February 2023	February 2026
B D West	18 February 2022	1 year 10 months	18 February 2022	February 2025
H Woodhams	10 August 2020	3 years 4 months	18 February 2022	February 2025

* Independent Director

**Period of office as a Director of CBH as at December 2023

- forming management committees and working parties from time-to-time to assist in the orderly conduct of the Group's business
- keeping the Board up to date and informed of all major activities of the Group.

Board structure

The CBH Rules provide for the following Board structure:

- Nine Member Directors. These Directors are elected from five districts. There are two Directors elected by Members from each of Districts 1, 2, 3 and 4 and one Director elected by Members from District 5. These Member Directors can have their main grain growing interests in any district.
- The appointment by the Board of up to three Independent Directors as the Board considers appropriate to provide expertise or skills in certain fields that will broaden the overall experience of the Board of Directors.

The Board appoints a representative of the Western Australian Electoral Commission as returning officer to conduct the Member Director elections in accordance with the CBH Rules. As part of each election, a majority independent Candidate Assessment Panel (CAP) is engaged to assess prospective Member Director candidates against the desired list of skills and attributes sought by the Board in CBH Directors. Participation in the CAP is mandatory for incumbent directors and strongly encouraged for all other candidates.

In respect of the appointment of an Independent Director, the Board approves the key skills and attributes that it is seeking to complement the existing Board. The Remuneration and Nomination Committee considers the appointment or re-appointment of an Independent Director against the criteria approved by the Board and makes a recommendation to the Board regarding preferred candidate/s. The Board makes a final decision as to the Independent Director to be appointed.

Except in the case of the election of a Member Director to fill a casual vacancy, the term of office for a Member Director commences from the Annual General Meeting at which he or she is elected or at which his or her election is confirmed and expires at the third Annual General Meeting after election. The term of office for an Independent Director is up to three years, with their appointment to be ratified by members at the next Annual General Meeting following their appointment or re-appointment.

There is no maximum age limit for a Director.

The names of Directors in office at the date of this report, the date they were first appointed, their period in office, the commencement date of their current term and the expiry of their current term is set out in the table above.

All current Directors are Non-Executive Directors and, in addition to their role as a Director of CBH, each Director is also a Director of CBH Grain Pty Ltd. All Directors have formal letters of appointment.

In accordance with CBH's Rules, CBH Directors elect the Chair and Deputy Chair. Mr Simon Stead is the elected Chair and Ms Natalie Browning is the elected Deputy Chair.

The roles of Chair and Chief Executive Officer are not exercised by the same person.

Details of the background, experience and skills of each of the Directors is contained in pages 16 to 17 of the Annual Report.

Induction of new Directors

New Directors are provided with a formal letter of appointment which sets out the key terms and conditions of their appointment, including their duties, rights and responsibilities, the time commitment envisaged in the role and the Board's expectations in respect of involvement with Board Committees.

In addition, new Directors receive a comprehensive induction manual and complete a Director Induction program which includes meeting with the Chair, CEO, Audit and Risk Management Committee Chair and key executives. The program also includes site visits to key CBH Group operations as well as CBH related IT training.

Role of individual Directors and conflicts of interest

All Directors have given other Directors standing notice of the nature and extent of their interest in matters that relate to the affairs of companies within the CBH Group. A Director who has a conflict of interest must immediately disclose that interest to the Board and must not be present when the matter is being considered or vote on the matter, unless the Board has passed a resolution to enable the Director to do so.

Meetings of Directors

The Board meets formally at least seven times a year, with additional meetings being held as required. On the invitation of the Board, members of senior management attend and make presentations at Board meetings. The Board also holds an annual strategy session. In addition, the Directors spend significant time at Board meetings discussing key strategic issues.

The number of meetings of the co-operative's Board of Directors and of each standing Board Committee held during the financial year ended 30 September 2023 and the number of meetings attended by each Director are set out in the Directors' Report.

Board access to information and independent professional advice

The Board has an Information Seeking Protocol which enables Directors to have access to required information to support the Board decision making process. In addition, any Director can request approval from the Chair or Deputy Chair, which will not be unreasonably withheld, to seek independent professional advice at the co-operative's expense to support a Director in fulfilling his or her duties and responsibilities as a Director.

Directors and officers insurance and deeds of indemnity and access

In conformity with market practice, the co-operative provides Directors' and Officers' Insurance and Deeds of Indemnity, Insurance and Access to the maximum extent permitted by law.

Diversity

The Board is committed to workplace diversity, recognising the many and varied benefits that gender diversity and broader dimensions of diversity that reflect our community, brings to an organisation. The Board supports management in its endeavours to achieve and maintain a diverse and inclusive workforce at all levels of CBH.

Furthermore, the Board respects and values the benefit of Board diversity and the different perspectives that it brings, and is supportive of appropriate initiatives to encourage Board diversity whilst at the same time respecting merit and the democratic process of Member Director Elections.

Knowledge, skills and experience

The Board aspires for its Directors to possess the requisite skills, experience and attributes to optimise the ability for CBH to achieve its objectives as a grower-owned co-operative, and is supportive of appropriate initiatives to further this aim.

To assist Directors to maintain an appropriate level of knowledge, skill and experience in the operations of the CBH Group, Directors undertake site visits and attend grower meetings, industry meetings and relevant conferences. Directors also receive papers, presentations and briefings on CBH Group business and on matters which may affect the CBH Group.

Director education

To support Directors in the appreciation of their role and responsibilities, the CBH Board has adopted a Director Development Policy which requires each Director to undertake a minimum number of professional development hours, which all Directors have achieved during the financial year. Directors are required to prepare a professional development plan having regard to their individual requirements and to discuss their plan with the Chair. Subject to prior approval, the reasonable cost of these development activities is met by the co-operative.

Committees of the Board

The Board has established the following committees to assist with the discharge of its responsibilities:

- Audit and Risk Management Committee
- Remuneration and Nomination Committee
- Health, Safety and Sustainability Committee
- Network and Engineering Committee
- Share Transfers and Documents Committee

All of the above committees review matters on behalf of the Board and operate in accordance with their own charters as approved by the Board. These charters are published on the CBH website.

It is customary for the CBH Board to review the composition of its committees annually at the first Board meeting following the Annual General Meeting.

Details of Director attendance at committee meetings during the financial year is set out in the table on page 75. Directors that are not members of a particular committee are entitled to attend committee meetings as observers.

Audit and Risk Management Committee

The purpose of the Audit and Risk Management Committee is to provide assistance to the CBH Board in fulfilling its corporate governance and oversight responsibilities in relation to the CBH Group's financial reporting, internal control structure, compliance with laws, regulations, internal policies and industry standards, risk management systems, code of conduct and internal and external audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors, internal auditors and management of the CBH Group.

The Committee reviews CBH Group financial statements, accounting policies and matters raised as a result of internal and external audit findings. In addition, the Committee reviews risk management policies, risk management reporting and the risk management framework.

The members of the Audit and Risk Management Committee as at the date of this report are as follows:

- Mr David Lock (Chair)
- Ms Natalie Browning
- Mr Michael Byrne
- Mr Gareth Rowe
- Mr Barry West
- Ms Helen Woodhams

The Chair of the Committee is not the Chair of the Board.

The Chief Executive Officer, the Chief Financial Officer, the Company Secretary, the Chief Audit and Risk Officer, internal and external auditors and other persons considered appropriate attend meetings by invitation.

The Committee also meets with both the internal and external auditors in the absence of management at the conclusion of each Committee meeting.

The Committee met five times during the financial year ended 30 September 2023.

Remuneration and Nomination Committee

The primary functions of the Remuneration and Nomination Committee are to assist the Board in relation to approving the CBH remuneration principles and framework, to oversee the development and succession planning of the CEO and Executive Committee, and to ensure the Board is of an effective composition to adequately discharge its duties and responsibilities.

The members of the Remuneration and Nomination Committee as at the date of this report are as follows:

- Mr Paul Sadleir (Chair)
- Mr Jeff Seaby
- Mr Ken Seymour
- Mr Simon Stead
- Mr Royce Taylor

Management and external professional advisers may attend the meetings by invitation.

The Committee met five times during the financial year ended 30 September 2023.

Health, Safety and Sustainability Committee

The primary function of the Health, Safety and Sustainability Committee is to support and advise the Board in respect of all workplace health and safety and sustainability matters facing the CBH Group.

The members of the Health, Safety and Sustainability Committee as at the date of this report are as follows:

- Ms Helen Woodhams (Chair)
- Mr Michael Byrne
- Mr Michael Caughey
- Mr Ben Macnamara (CEO)
- Mr Gareth Rowe
- Mr Royce Taylor

Management and external professional advisers may attend the meetings by invitation.

The Committee met four times during the financial year ended 30 September 2023.

Network and Engineering Committee

The primary function of the Network and Engineering Committee is to oversee and monitor the application of the Board Network Policy.

The members of the Network and Engineering Committee as at the date of this report are as follows:

- Mr Ken Seymour (Chair)
- Ms Natalie Browning
- Mr Michael Caughey
- Mr Paul Sadleir
- Mr Jeff Seaby
- Mr Barry West

Management and external professional advisers may attend the meetings by invitation.

The Committee met six times during the financial year ended 30 September 2023.

Share Transfers and Documents Committee

The primary functions of the Share Transfers and Documents Committee are to consent to transfers of shares on behalf of the Board and to approve changes to documents requiring Board approval under the Co-operatives Act 2009 or the CBH Rules.

The Committee consists of Board representative, Mr Simon Stead and members of management.

The Committee met three times during the financial year ended 30 September 2023.

Audit governance and independence

As part of its commitment to safeguarding integrity in financial reporting, the CBH Group has implemented procedures and policies to monitor the independence and competence of the CBH Group's external auditor.

The co-operative's current external auditor is KPMG, who was appointed at the 2015 Annual General Meeting. The appointment and remuneration of the external auditor and its effectiveness, performance and independence is reviewed annually by the Audit and Risk Management Committee.

The Audit and Risk Management Committee considers the appropriateness of engaging the external auditor to provide any non-audit services to ensure that the auditor's independence is not compromised and has adopted an audit policy in this regard.

In order to assist in ensuring the independence of the external auditor, the external audit partner is rotated every five years at a minimum.

KPMG has provided a declaration to the Audit and Risk Management Committee for the financial year ended 30 September 2023 that it has maintained its independence in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct.

Risk identification and management

The co-operative is committed to the identification, monitoring and management of risks associated with its business activities and has embedded in its management and reporting systems a number of risk management controls. These include:

- Risk and internal audit – the Chief Audit and Risk Officer has a dual reporting line to the Chief Legal, Risk and Governance Officer and the Chair of the Audit and Risk Management Committee and is responsible for monitoring, investigating and reporting on internal control systems
- Financial reporting – there is a comprehensive budgeting system with an annual budget approved by the Directors. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly
- Insurance – there is a comprehensive annual insurance program, including external risk surveys
- Financial risk management – there are policies and procedures for the management of market risk, financial risk and treasury operations including exposures to foreign currencies, interest rates and commodity risks
- Compliance – there are systems and processes in place to ensure compliance with laws, regulations, internal policies and industry standards
- Due diligence – there are comprehensive due diligence procedures for acquisitions and divestments
- Crisis management – there are crisis management and business continuity systems for all key businesses in the Group
- Executive Risk Committee – there is a disciplined approach to the identification and management of risk with an Executive Risk Committee comprising the Chief Executive Officer and the Executive Committee, meeting on a regular basis
- Marketing & Trading Risk Committee – reporting to the Chief Marketing and Trading Officer and providing additional business level governance and risk management oversight, this committee addresses risks specific to marketing, trading and chartering activities.

The CBH Group has implemented an enterprise-wide risk management approach to the identification, management and reporting of its risks. This entails risk reviews by each division of the co-operative which encompass operational, financial, strategic and compliance risk assessment and quantification.

The internal audit function is outsourced and is independent of the external audit function. The Audit and Risk Management Committee endorses the annual internal audit plan to ensure that planned audit activities are aligned to business risks. The Audit and Risk Management Committee also reviews internal audit reports and monitors progress with recommendations made in these reports to ensure ongoing improvement in the internal control environment of the CBH Group.

Director remuneration and performance review

The Remuneration and Nomination Committee uses an external advisor to assist in determining the appropriate remuneration levels for the CBH Board by comparing Directors' remuneration for entities of a similar size, nature and complexity to the CBH Group. On the basis of that external advice, the Committee makes recommendations to the Board on remuneration of Directors. The aggregate level of Directors' fees is ultimately determined by members in general meeting.

At the 2022 Annual General Meeting, the co-operative's members approved Director remuneration at an aggregate amount of $1,499,420 with effect from 18 February 2022 and $1,633,545 with effect from the 2023 AGM, to be divided amongst Directors in such manner as they determine with Directors being entitled to receive, in addition to this amount, statutory superannuation entitlements and reimbursement for reasonable travel and other expenses incurred by them in the performance of their duties. The co-operative does not have a formal scheme for retirement benefits for Directors other than statutory superannuation.

Set out in the table on page 71 is the Directors' remuneration for the financial year ended 30 September 2023.

The CBH Board has a formal appraisal system in place for the performance of the Board as a whole, and individual Directors.

Directors' remuneration

NAME OF DIRECTOR	ROLE	DIRECTORS' FEES ($)	SUPERANNUATION ($)	TOTAL ($)
Simon Stead	Chair	218,611	23,258	241,869
Natalie Browning	Deputy Chair (i)	149,776	15,927	165,703
Michael Byrne	Independent Director (ii)	69,814	7,482	77,296
Michael Caughey	Director (iii)	69,814	7,482	77,296
David Lock	Independent Director; Chair – Audit and Risk Management Committee (vi)	139,114	14,800	153,914
Alan Mulgrew	Independent Director (iv)(vi)	39,947	4,194	44,141
John O'Neil	Director (iv)	39,947	4,194	44,141
Gareth Rowe	Director (vi)	109,306	11,629	120,935
Paul Sadleir	Independent Director; Chair – Remuneration and Nomination Committee	132,894	14,138	147,032
Ken Seymour	Director; Chair – Network and Engineering Committee (v)	115,190	12,263	127,453
Jeff Seaby	Director	109,306	11,629	120,935
Royce Taylor	Director	109,306	11,629	120,935
Barry West	Director	109,306	11,629	120,935
Helen Woodhams	Director; Chair – Health, Safety and Sustainability Committee	118,794	12,641	131,435
Total		**1,531,125**	**162,895**	**1,694,020**

(i) Natalie Browning was Chair of the Network and Engineering Committee until 5 April 2023
(ii) Michael Byrne was appointed to the Board on 17 February 2023
(iii) Michael Caughey was elected to the Board on 17 February 2023
(iv) Alan Mulgrew and John O'Neil resigned from the Board on 17 February 2023
(v) Ken Seymour was elected as Chair of the Network and Engineering Committee on 5 April 2023
(vi) In addition to the above, David Lock, Alan Mulgrew and Gareth Rowe acted as Directors of Interflour Group Pte Ltd (IFG) in which CBH holds a 50% interest. During the financial year IFG Director fees were paid to each of David Lock ($23,980 plus superannuation), Alan Mulgrew ($9,132 plus superannuation) and Gareth Rowe ($14,782 plus superannuation)

Executive remuneration and performance review

The remuneration package and performance standards for the CEO are overseen by the Remuneration and Nomination Committee. The Committee also provides oversight and counsel to the CEO in respect of remuneration packages for Executive Committee members.

Remuneration framework

The objective of CBH's remuneration framework is to attract and retain talent and reward and align employee activities to CBH's strategy.

At the individual level, packages are comprised of fixed remuneration and variable incentive components. Fixed remuneration is comprised of base salary, superannuation and salary sacrificed benefits. Variable remuneration is the Short-Term Incentive (STI) Program (or at-risk component of an employee's remuneration) offered to eligible salaried employees and payable based on performance and a Long-Term Incentive (LTI) offered to the CEO payable based on the delivery of outcomes over an extended period of time, usually three to five years.

Annual reviews

Annually the Remuneration and Nomination Committee reviews and recommends to the CBH Board the performance standards and remuneration results for the CEO.

A formal Performance Management Program is in place which is reviewed at least six monthly. Performance improvement plans and processes are available should an Executive Committee member be underperforming.

Talent management and succession planning programs are in place to ensure an adequate pool of successors exist for each Executive Committee role.

Executive remuneration

CBH Group remuneration structures are aligned to the external market, considering role grading, labour market conditions and the CBH Group business performance. CBH uses external data sourced from remuneration specialists, such as Korn Ferry Group and Mercer Rewards. Remuneration models are regularly benchmarked to the Perth market for companies within the Industrial and Services sectors. This ensures remuneration remains fair and market competitive.

In addition, the Remuneration and Nomination Committee seeks advice from external remuneration advisors where required or desired.

Remuneration received

NAME OF EXECUTIVE	ROLE	BASE SALARY $'000	SUPERANNUATION $'000	TOTAL FIXED EMPLOYMENT COST $'000	OTHER BENEFITS[1] $'000
Ben Macnamara	Chief Executive Officer	785	26	811	28
Stewart Hart	Chief Financial Officer	489	24	513	13
Jason Craig	Chief Marketing and Trading Officer[2]	539	25	564	-
Mick Daw	Chief Operations Officer	433	27	460	22

Note: The remuneration reported includes paid leave taken but excludes any leave provision or period of unpaid leave.

1 Other benefits include personal use percentage of company vehicle, parking, health insurance, life and trauma insurance etc., provided in the course of employment.

2 Jason Craig resigned as Chief of Marketing & Trading Officer effective from 30 September 2023.

Set out above is the remuneration received by the CEO, CFO and Chiefs of the two key business units for the financial year ended 30 September 2023.

Short-Term and Long-Term Incentives

In all cases, individual performance is linked to the delivery of outcomes against the CBH Group statement of strategic outcomes.

Short-Term Incentives (STI)

STIs are determined based on individual performance and group performance against Key Result Areas (KRAs) set by the Board annually.

The KRAs have been designed to drive positive outcomes in areas such as group financial performance, sustainability and safety, network capacity and efficiency. This structure ensures that the payment of STIs to Executive Committee members is linked to the enhancement of grower value, and more closely aligns the interests of Executive Committee members and growers.

The STI target is calculated as a percentage of Base Salary for Executive Committee members and the Chief Executive Officer, as shown in the following table.

The STI targets, level of achievement and actual STIs earned in respect of the financial year ended 30 September 2023 for the CEO, CFO and Chiefs of the two key business units are shown in the table below. Further detail on group and business unit performance in the current financial year is detailed within this annual report.

Long-Term Incentives (LTI)

LTIs reward the creation of grower value over sustained periods of time and are designed to ensure an optimal balance between short and longer-term business performance. The CEO is the only CBH employee with an LTI.

The CEO's LTI performance period is three years, during which the Board set targets against long term Key Result Areas to assess performance and grower value created over time.

STI targets, level of achievement and actual STIs earned

NAME OF EXECUTIVE	ROLE	STI TARGET (% OF BASE SALARY)	STI RESULT (% OF BASE SALARY)	ACTUAL STI $'000
Ben Macnamara	Chief Executive Officer	100.0%	100.0%	795
Stewart Hart	Chief Financial Officer	50.0%	50.0%	247
Jason Craig	Chief Marketing & Trading Officer	50.0%	0.0%	0
Mick Daw	Chief Operations Officer	50.0%	50.0%	218

CEO Ben Macnamara is entitled to an LTI of 133% of the average of his base salary across the three-year performance period. The Board will consider the CEO's performance against the Key Result Areas at the end of the three-year performance period and then determine the extent to which his LTI will be awarded.

NAME OF EXECUTIVE	ROLE	TYPE OF INCENTIVE	MATURATION DATE	INCENTIVE ACCRUED $'000
Ben Macnamara	Chief Executive Officer	LTI	Sep 2024	370

Code of Conduct

The Board, as part of its corporate governance framework, has documented the expectations of Directors as well as a Code of Ethics as an appropriate standard of conduct that is to be followed by all CBH Directors. The Board also maintains a Directors' Code of Behaviour and takes a "zero tolerance" approach to material breaches of that Code.

A CBH Group Business Code of Conduct has been prepared for the guidance and benefit of all people employed by, contracted by, or acting on behalf of the CBH Group, including CBH Directors. The Business Code of Conduct sets out the values and standards of the CBH Group including conducting its business ethically, operating with integrity and honesty, encouraging community initiatives, considering the environment and ensuring a safe, equal and supportive working environment.

The Business Code of Conduct encourages the reporting of unlawful and unethical behaviour, actively promotes and monitors compliance with the Business Code of Conduct and protects those that report breaches in good faith. The Business Code of Conduct is published on the CBH website.

In support of CBH's commitment to the highest standards of conduct and ethical behaviour in all of its business activities and to promote and support a culture of honest and ethical behaviour, the CBH Group has in place a Whistleblower Policy. The purpose of the Whistleblower Policy is to encourage staff and third parties to raise concerns and report instances of improper or corrupt conduct, where there are reasonable grounds to suspect such conduct, without fear of intimidation, disadvantage or reprisals. As part of the Whistleblower Policy, an employee or third party is able to report a matter via a secure and confidential whistleblower hotline operated by an external party. The Whistleblower Policy is published on the CBH website.

Communication with members

- The CBH Group places significant importance on effectively communicating with its grower members. A range of communication mediums are used, including regular updates to all members in respect of the activities of CBH and the grain industry in general.
- The Annual Report is available to all members and an invitation to attend the CBH Annual General Meeting and Member Forum is sent to all members where they are given opportunities to address issues with the Board and management. In addition, the auditors of the co-operative are available at the Annual General Meeting to address specific issues raised by members in relation to the audit if required. The Board and Executive also held Regional Member Forums during 2023 at Mingenew, Dalwallinu, Corrigin, Esperance and Katanning.
- Throughout the year, CBH holds many local and regional meetings with growers to provide information on co-operative and industry issues. Meetings include pre and post-harvest meetings, and grower focus groups, where growers are given the opportunity of expressing their views on relevant topical issues. CBH representatives also regularly attend and present at events held by regional grower groups.
- In addition, each year the co-operative provides all Western Australian grain growers with a detailed Grower Value Statement which outlines the value created and returned by the co-operative to the Western Australian grain industry, each grower's grain growing zone and to their own farming enterprise.

CBH conducts grower surveys to assess grower attitudes to a range of CBH related issues including its grower communication strategy.

The co-operative reviews and updates the contents of its website on a regular basis and sends regular emails to growers on important issues.

In addition, the Growers' Advisory Council supports in the effective communication between the co-operative and its grower members. Refer to page 20 for further information on the Growers' Advisory Council.

Directors' report

For the year ended 30 September 2023

The Directors submit the financial report of Co-operative Bulk Handling Limited (the "Co-operative" or "CBH") and its controlled entities (the "Group") for the financial year ended 30 September 2023.

Directors and Company Secretary

The following persons held office as Directors of Co-operative Bulk Handling Limited during the financial year ended 30 September 2023 and up to the date of this report unless otherwise noted:

S R Stead, Chair
N A M Browning, Deputy Chair
M P C Byrne (appointed 17 February 2023)
M L Caughey (appointed 17 February 2023)
D A Lock
A J Mulgrew (resigned 17 February 2023)
J D O'Neil (resigned 17 February 2023)
G R Rowe
P S Sadleir
J N Seaby
K M Seymour
R P Taylor
B D West
H Woodhams

A summary of the qualifications, experience and special responsibilities of each of the Directors is set out on pages 16 and 17 of the Annual Report.

David Woolfe acted as Company Secretary of Co-operative Bulk Handling Ltd for the period 1 October 2022 to 9 December 2022 and was responsible for the company secretarial, corporate governance risk and legal functions of the CBH Group. David is a qualified lawyer with over 35 years of corporate and commercial law experience. David is also a qualified Chartered Secretary and is a Fellow of the Australian Institute of Company Directors, the Chartered Governance Institute and the Governance Institute of Australia.

Richard Codling acted as Company Secretary of Co-operative Bulk Handling Ltd for the period 12 December 2022 to 30 September 2023 and is responsible for the company secretarial, corporate governance risk and legal functions of the CBH Group. Richard is a qualified lawyer with over 25 years of corporate and commercial law experience. Richard is also a qualified Chartered Secretary and is a Graduate of the Australian Institute of Company Directors, a Fellow of the Chartered Governance Institute and of the Governance Institute of Australia.

Meetings of Directors

The table on page 75 sets out the number of Directors' meetings and meetings of the standing board committees of the Co-operative held during the financial year ended 30 September 2023 and the number of meetings attended by each Director.

Principal activities

The principal activities undertaken by the Group during the financial year comprised grain storage, handling, marketing and trading, oat processing, and fertiliser retailing. In addition, the entity has interests in flour processing facilities.

Review of operations

The Group recorded a profit after income tax of $437,085,000 (2022: profit after income tax of $497,729,000). The Group's result includes a profit after tax of $156,059,000 in the Operations business unit, a $176,316,000 profit after tax recorded by the Marketing & Trading business unit, a profit after tax of $3,814,000 from Grain Processing investments, and franking credit income of $83,774,000.

	SCHEDULED BOARD MEETING		UNSCHEDULED BOARD MEETINGS		AUDIT & RISK MANAGEMENT COMMITTEE		REMUNERATION & NOMINATION COMMITTEE		HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE		NETWORK AND ENGINEERING COMMITTEE	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
S R Stead	8	8	4	4			5	5				
N A M Browning	8	8	4	4	5	5					6	6
M P C Byrne	4	4	1	0	2	2			1	1		
M L Caughey	4	4	1	1					1	1	2	2
D A Lock	8	8	4	4	5	5						
A J Mulgrew	4	4	3	3	3	3					3	3
J D O'Neil	4	4	3	3	3	3			3	2		
G R Rowe	8	8	4	4	5	5			4	4		
P S Sadleir	8	8	4	4			5	4			6	6
J N Seaby	8	8	4	3			5	5			6	6
K M Seymour	8	8	4	4			5	5			6	6
R P Taylor	8	8	4	4			5	5	4	4		
B D West	8	8	4	4	5	4					6	6
H Woodhams	8	8	4	4	5	5			4	4		

As the Board's representative on the Share Transfers and Documents Committee, Mr Simon Stead attended each of the three Share Transfers and Documents Committee meetings held during the year.

Operations

The Operations business unit recorded a profit after tax of $156,059,000 (2022: profit after tax of $57,926,000). The profit was primarily due to higher shipping revenue driven by the achievement of record shipping volumes of 19.7 million tonnes (2022: 16.7 million tonnes), as export demand remained strong throughout the year. The shipping record was achieved in the context of handling another record crop of 22.9 million tonnes received versus 21.3 million tonnes received in 2022.

Marketing & Trading

The Marketing & Trading business unit recorded a profit after tax of $176,316,000 (2022: profit after tax of $437,856,000). The result was driven by favourable export margins flowing from ongoing global supply disruptions, and in addition the recent opening of the Chinese market to Australian grain market has supported trading outcomes.

The significant financial and operational items during the financial year were:

- Revenue decreased by 3% to $6,013,717,000 primarily due to the reduction in volumes in Marketing & Trading, which traded 9.4 million tonnes (2022: 10.1 million tonnes). The reduction in grain sales revenue was offset by an increase in grain handling services revenue, as Operations revenues were driven by record shipping harvest volumes.
- The Operations business unit received another record crop of 22.9 million tonnes of grain into its storage facilities during 2023 (2022: 21.3 million tonnes), while bulk exporting 19.7 million tonnes during the financial year (2022: 16.7 million tonnes). Carry over grain in the network at 30 September 2023 was 5.5 million tonnes (2022: 4.7 million tonnes).
- The Marketing & Trading business unit traded 9.4 million tonnes (2022: 10.1 million tonnes) inclusive of pools during the financial year.
- The Group responded well to the challenge of managing the record volume and providing export capacity to the market, recording a greatly reduced demurrage expense of $9,039,000 (2022: $43,079,000).
- Net operating cash inflow for the year was $412,720,000 (2022: inflow of $340,815,000).
- Group capital expenditure for the year was $551,295,000 (2022: $341,908,000).

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year.

Significant events after year end

Subsequent to 30 September 2023, CBH Grain Pty Ltd negotiated the following facilities with various banks for the acquisition of grain over the 2023/2024 season:

- Syndicated debt of $850,000,000;
- Banking facilities of $1,150,000,000; and
- Trade facilities of $500,000,000.

The facilities have been executed and are on similar terms and conditions to prior seasons, refer to Note 19(d). The lenders are expected to undertake an annual review which includes (but is not limited to) an assessment of:

- The financial performance of the Group, ensuring that the financial ratios and conditions are met throughout the term of the loan facilities
- Compliance over negative pledge and loan covenants

On 4 October 2023, CBH Grain Pty Ltd declared a fully franked dividend of $170,000,000 payable to its parent, Co-operative Bulk Handling Ltd, for the purposes of network investment. The dividend was subsequently paid, and the parent has lodged a claim with the Australian Tax Office for a refund of $73,000,000 in franking credits, which will be directed towards network investment.

Other than the matters disclosed above, there are no other subsequent events which require disclosure.

Likely developments and expected results of operations

Likely developments in, and expected results of, the operations of the Group in subsequent years, to the extent that they would not be considered unreasonably prejudicial to the Group if disclosed, are referred to in the financial report and in the Annual Report.

Environmental regulation

The operations of the Group are subject to various Commonwealth and State environmental legislation and regulations.

The Group aims to control the impact of its activities on the environment as far as reasonably possible and to ensure that its operations are conducted in accordance with legislative requirements.

During the year there have been no known significant breaches of any environmental regulations to which the Co-operative is subject.

Further details regarding the Group's environmental activities and performance can be found in the "Sustainability" section of the Annual Report.

Options

No options over unissued shares in the Co-operative were in existence at the beginning of the financial year or granted during, or since the end of the financial year.

Proceedings on behalf of the Co-operative

No proceedings have been brought on behalf of the Co-operative, nor have any applications been made in respect of the Co-operative under Part 4, Division 6 of the *Co-operatives Act 2009*.

Indemnification and insurance

The Co-operative has entered into Deeds of Indemnity, Insurance and Access with each of its Directors, secretaries, certain Executive Committee members and employees serving as officers for wholly owned or partly owned companies of CBH, for any liabilities incurred in or arising out of the conduct of the business of the Co-operative or a related body corporate or the discharge of the duties of any such person.

Non-audit services

KPMG, the external auditor of the Co-operative, did not provide any non-audit services to the Group during the financial year. There were no amounts received or due to be received for non-audit services in 2023. (2022: $3,700).

The Directors are satisfied that the lack of the non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The non-audit services provided in 2022 were in accordance with the CBH Audit Policy and were reviewed by the CBH Audit and Risk Management Committee to ensure that they do not affect the integrity or objectivity of the external auditor.

Auditor's independence declaration

A copy of the declaration given by the Co-operative's external auditor to the Directors in relation to the auditor's compliance with the independence requirements of Australian accounting bodies and the applicable code of professional conduct for external auditors is provided on page 6.

Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Co-operative under ASIC Instrument 2016/191. The Co-operative is an entity to which the Instrument applies.

The Directors' report is signed in accordance with a resolution of Directors.

Simon Stead

Simon Stead
Chair

6 December 2023

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Co-operative Bulk Handling Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 September 2023 there have been:

i. No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner
Perth
6 December 2023

Financial Report

30 September 2023

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Consolidated statement of profit or loss and other comprehensive income

	Notes	2023 $'000	2022 $'000
Revenue	5(a)	**6,013,717**	6,219,232
Other income/(expenses)	5(b)	**173,006**	(239,212)
Raw materials, traded grains and consumables used	6(a)	**(4,086,602)**	(3,832,942)
Employee benefits expense	6(b)	**(294,774)**	(254,517)
Depreciation and amortisation		**(244,324)**	(211,509)
Storage, handling and freight expenses	6(c)	**(541,322)**	(434,181)
Marketing and trading expenses	6(d)	**(324,492)**	(471,911)
Insurance		**(18,189)**	(13,240)
Other expenses	6(e)	**(83,160)**	(52,534)
Interest expense		**(77,266)**	(30,928)
Share of profit/(loss) from associates	12	**86**	8,629
Profit before income tax		**516,680**	686,887
Income tax expense	7	**(79,595)**	(189,158)
Profit attributable to members of Co-operative Bulk Handling Limited		**437,085**	497,729
Other comprehensive income			
Items that will not be reclassified to the profit or loss			
Share of other comprehensive income from associates		**(1,566)**	227
Items that may be reclassified subsequently to the profit or loss			
Foreign currency translation (loss)/gain		**(1,102)**	11,754
Share of other comprehensive income/(expense) from associates		**(1,606)**	(13,510)
Cashflow hedge gain/(loss)		**8,795**	-
Other comprehensive income/(expense) for the year, net of tax		**4,521**	(1,529)
Total comprehensive income/(expense) for the year, attributable to members of Co-operative Bulk Handling Limited		**441,606**	496,200

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AS AT 30 SEPTEMBER 2023

Consolidated statement of financial position

	Notes	30 September 2023 $'000	30 September 2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	18	**227,278**	391,384
Trade and other receivables	13	**444,162**	735,904
Derivative financial instruments	22(d)	**139,558**	291,235
Inventories	14	**1,013,530**	871,912
Prepayments		**10,006**	5,757
Total current assets		**1,834,534**	2,296,192
Non-current assets			
Trade and other receivables	13	**41,909**	40,572
Investments in associates	12	**133,659**	129,964
Derivative financial instruments	22(d)	**7,234**	11,834
Property, plant and equipment	8	**1,874,585**	1,538,588
Intangible assets and goodwill	9	**60,812**	52,426
Right-of-use assets	10(a)	**295,537**	308,975
Total non-current assets		**2,413,736**	2,082,359
Total assets		**4,248,270**	4,378,551
LIABILITIES			
Current liabilities			
Trade and other payables	15	**203,517**	257,738
Interest bearing loans and borrowings	19	**521,338**	719,274
Derivative financial instruments	22(d)	**99,359**	297,241
Income tax payable		**67,360**	133,905
Provisions	17	**41,738**	37,521
Lease liabilities	10(a)	**63,187**	54,989
Other liabilities	16	**113,692**	79,815
Total current liabilities		**1,110,191**	1,580,483
Non-current liabilities			
Trade and other payables	15	**429**	414
Interest bearing loans and borrowings	19	**-**	40,000
Derivative financial instruments	22(d)	**1,610**	4,180
Provisions	17	**43,422**	50,004
Deferred tax liability	7	**10,071**	50,447
Lease liabilities	10(a)	**244,799**	264,301
Total non-current liabilities		**300,331**	409,346
Total liabilities		**1,410,522**	1,989,829
Net assets		**2,837,748**	2,388,722
EQUITY			
Contributed equity	20(a)	**4**	4
Reserves	20(c)	**2,127,809**	1,867,471
Retained earnings		**709,935**	521,247
Total equity		**2,837,748**	2,388,722

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

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Consolidated statement of changes in equity

	Ordinary shares Note 20 $'000	Capital levy reserve Note 20 $'000	General reserve Note 20 $'000	Foreign currency translation reserve Note 20 $'000	Cash flow hedge reserve Note 20 $'000	Retained earnings $'000	Acquisition reserve Note 20 $'000	Total equity $'000
At 1 October 2022	4	52,587	1,847,597	(32,228)	690	521,247	(1,175)	2,388,722
Profit/(loss) for the year	–	–	–	–	–	437,085	–	437,085
Other comprehensive income/(expense)	–	–	–	(1,102)	8,795	–	–	7,693
Share of other comprehensive (expense)/income from associates	–	–	–	(1,420)	(186)	(1,566)	–	(3,172)
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**(2,522)**	**8,609**	**435,519**	**–**	**441,606**
Change in associates' effective interest in its subsidiaries	–	–	–	–	–	7,420	–	7,420
Transfer (to)/from reserves/retained earnings	–	–	254,251	–	–	(254,251)	–	–
At 30 September 2023	**4**	**52,587**	**2,101,848**	**(34,750)**	**9,299**	**709,935**	**(1,175)**	**2,837,748**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Consolidated statement of changes in equity

	Ordinary shares Note 20 $'000	Capital levy reserve Note 20 $'000	General reserve Note 20 $'000	Foreign currency translation reserve Note 20 $'000	Cash flow hedge reserve Note 20 $'000	Retained earnings $'000	Acquisition reserve Note 20 $'000	Total equity $'000
At 1 October 2021	4	52,587	1,631,441	(29,344)	(438)	239,447	(1,175)	1,892,522
Profit/(loss) for the year	–	–	–	–	–	497,729	–	497,729
Other comprehensive income/(expense)	–	–	–	11,754	–	–	–	11,754
Share of other comprehensive (expense)/income from associates	–	–	–	(14,638)	1,128	227	–	(13,283)
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**(2,884)**	**1,128**	**497,956**	**–**	**496,200**
Transfer (to)/from reserves/retained earnings	–	–	216,156	–	–	(216,156)	–	–
At 30 September 2022	**4**	**52,587**	**1,847,597**	**(32,228)**	**690**	**521,247**	**(1,175)**	**2,388,722**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Consolidated statement of cash flows

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		**6,780,037**	6,464,631
Payments to suppliers and employees		**(6,151,574)**	(6,102,973)
		628,463	361,658
Interest received		**46,695**	13,828
Interest and other costs of finance paid		**(75,214)**	(29,812)
Income taxes paid (net)		**(187,224)**	(4,859)
Net operating cash flows	18	**412,720**	340,815
Cash flows from investing activities			
Payments for property, plant and equipment		**(541,399)**	(332,268)
Proceeds from sale of property, plant and equipment		**1,351**	256
Payments for intangible assets		**(17,821)**	(9,074)
Term deposits (net)		**30,124**	(10,428)
Margin deposits (net)		**40,331**	(7,392)
Loans repaid by growers		**153,947**	216,559
Loans to growers		**(151,303)**	(177,196)
Repayments from/(loans to) CBH Grain Pools		**118,453**	(107,961)
Franking credit refund		**83,774**	-
Receipt of asset-related government grants		**4,014**	-
Net investing cash flows		**(278,529)**	(427,504)
Cash flows from financing activities			
Proceeds from borrowings		**2,185,737**	3,636,170
Repayment of borrowings		**(2,424,378)**	(3,352,529)
Repayment of lease liabilities		**(59,458)**	(39,076)
Net financing cash flows		**(298,099)**	244,565
Net (decrease)/increase in cash and cash equivalents		**(163,908)**	157,876
Cash and cash equivalents at the beginning of the financial year		**391,384**	235,278
Effects of exchange rate changes on cash and cash equivalents		**(198)**	(1,770)
Cash and cash equivalents at end of year	18	**227,278**	391,384

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

30 SEPTEMBER 2023

Notes to the consolidated financial statements

Overview

1 General information

The consolidated financial statements of Co-operative Bulk Handling Limited (the "Co-operative" or "CBH") and its controlled entities (the "Group") for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the Directors on 6 December 2023.

CBH is a not-for-profit co-operative limited by shares held by grain growers and domiciled in Western Australia.

The principal activities undertaken by the Group during the financial year comprised grain storage, handling, marketing and trading, oat processing, and fertiliser retailing. In addition the Group has interests in flour processing facilities.

2 Basis of preparation

This general purpose financial report has been prepared in accordance with the requirements of the *Co-operatives Act 2009, the Australian Charities and Not-for-profits Commission Act 2012* Division 60 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for grain inventory held for trading which has been measured at fair value less costs of disposal and certain financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The financial report covers a period of 12 months from 1 October 2022 to 30 September 2023.

The financial report presents reclassified comparative information where required for consistency with the current year's presentation.

(a) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*

(b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries controlled by CBH as at 30 September 2023 and the results of all subsidiaries for the year then ended. CBH and its subsidiaries together are referred to in this financial report as the Group or consolidated entity. Subsidiaries are entities controlled by the Group.

(c) Foreign currency

The consolidated financial statements are presented in Australian dollars (AUD) which is CBH's functional and presentation currency. For each controlled entity, the Group determines the functional currency. The functional currency of overseas subsidiaries are Hong Kong Dollar (HKD) and Japanese Yen (JPY).

(i) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the reporting date exchange rate. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective, are recognised in other comprehensive income ("OCI").

(ii) Foreign operations

The assets and liabilities of foreign operations, which includes investments in associates, are translated into the presentation currency of the Group at the reporting date exchange rate. The income and expenses of foreign operations are translated using average rates of exchange for the year.

The exchange differences arising on translation of foreign operations are recognised in OCI and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of in its entirety or partially, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated 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 assets and liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

In cases where geopolitical events have impacted the markets, the Group has adapted its operations to the uncertainty presented by these circumstances, and a thorough assessment has been made in respect to judgements and assumptions used in mark to market valuations.

Critical accounting policies for which significant judgements, estimates and assumptions are made, are identified in each applicable note.

Notes to the consolidated financial statements

Current grower value

This section provides information on the Group's performance, including the results of each individual business unit and details of specific line items in the profit or loss.

4 Business unit results

For management purposes, the Group is organised into business units based on its products and services as follows:

Business unit	**Principal activities**
Operations (grain storage and handling)	Receiving and exporting of grain.
Freight Fund	Transporting of grain to port.
Marketing and Trading	Acquiring and trading grain; vessel chartering; provision of financial products and grain pools management services.
Grain Processing (i)	Milling of wheat and oats; malting operations.
Corporate Services	Provision of central support functions and other corporate entity activities.
Other	Stevedoring services, captive insurance and property lease.
Eliminations (ii)	Business unit eliminations include intra-group dividends, revenues, expenses, assets and liabilities related to intra-group transactions eliminated on consolidation.

(i) Includes 100% of the revenue, assets and liabilities of Blue Lake Milling Pty Ltd, and 50% of the revenue, assets and liabilities of Interflour Group Pte ("IFG") and Pacific Agrifoods Limited ("PAL").

(ii) IFG and PAL equity accounted investments are reinstated in eliminations to reconcile to the statutory results.

The Executive Committee monitors the results of the business units separately for the purposes of making decisions about resource allocation and performance assessment.

Business unit performance is evaluated based on operating profit or loss.

Transfer prices between the business units are performed on a commercial basis in a manner similar to transactions with third parties.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

4 Business unit results (continued)

Year ended 30 September 2023	Operations (grain storage and handling) $'000	Freight Fund $'000	Marketing and Trading $'000	Grain Processing $'000	Corporate Services $'000	Other $'000	Eliminations $'000	Total $'000
Business unit revenue								
Revenue	673,484	388,376	4,630,735	770,764	832	206,622	(657,096)	6,013,717
Intra-unit revenue	170,229	(1,847)	19,352	360	113,465	3,446	(305,005)	-
Total business unit revenue	**843,713**	**386,529**	**4,650,087**	**771,124**	**114,297**	**210,068**	**(962,101)**	**6,013,717**
Total business unit results								
Profit/(loss) before tax	156,059	12,514	251,966	5,446	85,678	7,654	(2,637)	516,680
Income tax expense	-	-	(75,650)	(1,632)	-	(2,313)	-	(79,595)
Profit/(loss) after tax	**156,059**	**12,514**	**176,316**	**3,814**	**85,678**	**5,341**	**(2,637)**	**437,085**
Other business unit information								
Interest revenue	11,966	348	39,323	54	3,149	400	(6,400)	48,840
Interest expense	(4,531)	(6,470)	(65,437)	(2,001)	(1,107)	(4,120)	6,400	(77,266)
Depreciation and amortisation expense	(167,024)	(62,562)	(738)	(3,406)	(7,996)	(25,980)	-	(244,324)
Unrealised gain/(loss) on financial instruments	283	-	28,330	(730)	(313)	8	(55)	27,523
Intra-unit dividend	-	-	-	-	3,500	-	(3,500)	-
Franking credit income	-	-	-	-	83,774	-	-	83,774
Share of profit/(loss) from associates	-	-	-	86	-	-	-	86
Impairment cost	14,923	-	-	-	-	-	-	14,923
Capital expenditure	354,610	108,803	487	1,745	9,747	75,903	-	551,295
Assets (excluding investments in associates)	2,056,158	411,117	1,486,134	489,778	287,227	135,049	(750,852)	4,114,611
Investment in associates	-	-	-	-	-	-	133,659	133,659
Total assets	**2,056,158**	**411,117**	**1,486,134**	**489,778**	**287,227**	**135,049**	**(617,193)**	**4,248,270**
Total liabilities	**243,596**	**411,117**	**759,479**	**324,459**	**135,843**	**38,573**	**(502,545)**	**1,410,522**

30 SEPTEMBER 2023

Notes to the consolidated financial statements

4 Business unit results (continued)

Year ended 30 September 2022	Operations (grain storage and handling) $'000	Freight Fund $'000	Marketing and Trading $'000	Grain Processing $'000	Corporate Services $'000	Other $'000	Eliminations $'000	Total $'000
Business unit revenue								
Revenue	467,724	283,580	5,130,583	668,435	763	226,259	(558,112)	6,219,232
Intra-unit revenue	173,943	(827)	17,990	-	87,443	3,791	(282,340)	-
Total business unit revenue	**641,667**	**282,753**	**5,148,573**	**668,435**	**88,206**	**230,050**	**(840,452)**	**6,219,232**
Total business unit results								
Profit/(loss) before tax	57,926	(12,514)	625,739	13,006	170,743	(96)	(167,917)	686,887
Income tax expense	-	-	(187,883)	(1,334)	-	59	-	(189,158)
Profit/(loss) after tax	**57,926**	**(12,514)**	**437,856**	**11,672**	**170,743**	**(37)**	**(167,917)**	**497,729**
Other business unit information								
Interest revenue	2,774	196	11,462	5	1,780	14	(2,176)	14,055
Interest expense	(3,187)	(4,075)	(22,552)	(1,017)	(1,113)	(1,159)	2,175	(30,928)
Depreciation and amortisation expense	(158,118)	(39,761)	(1,098)	(3,203)	(6,306)	(3,023)	-	(211,509)
Unrealised gain/(loss) on financial instruments	(227)	(92)	(87,960)	(217)	4,962	2	60	(83,472)
Intra-unit dividend	-	-	-	-	169,000	-	(169,000)	-
Share of profit/(loss) from associates	-	-	-	8,629	-	-	-	8,629
Capital expenditure	324,139	4,355	651	1,975	8,763	2,025	-	341,908
Assets (excluding investments in associates)	1,963,976	321,193	1,858,245	576,606	285,053	69,962	(826,448)	4,248,587
Investment in associates	-	-	-	-	-	-	129,964	129,964
Total assets	**1,963,976**	**321,193**	**1,858,245**	**576,606**	**285,053**	**69,962**	**(696,484)**	**4,378,551**
Total liabilities	**316,266**	**333,706**	**1,307,442**	**413,670**	**153,415**	**39,411**	**(574,082)**	**1,989,829**

30 SEPTEMBER 2023

Notes to the consolidated financial statements

5 Revenue and other income

(a) Revenue

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Grain handling services	**637,128**	450,993
Grain freight services	**388,158**	283,520
Grain sales	**4,543,178**	5,070,255
Sales of finished products	**316,458**	332,990
Management fees	**19,368**	15,363
Interest	**48,840**	14,055
Other revenue	**60,587**	52,056
Total revenue	**6,013,717**	6,219,232

Recognition and measurement

Revenue is recognised at a point in time when the Group transfers control over a good or service to the customer and is measured based on the transaction price specified in a contract with a customer. Revenue is disaggregated based on the major revenue stream categories above. The following specific recognition criteria must also be met before revenue is recognised:

(i) Grain handling services

Revenue is earned from the receival, storage and handling of grain. Revenue recognition for receival and handling occurs as the service is rendered and for storage, it is recognised over the storage period.

(ii) Grain freight services

Revenue is earned from the movement of grain from up-country receival sites to port by either road or rail and is recognised as the freight movement occurs.

(iii) Grain sales

Revenue is generated from the sale of grain overseas and domestically. Revenue is recognised once the control of goods has transferred from the Group to the customer.

The transfer of control of grain usually occurs when title passes to the customer and the customer takes physical possession. The Group principally satisfies its performance obligations at a point in time; the amount of revenue recognised relating to performance obligations satisfied over time for shipping obligations is not significant.

Grain sales are primarily executed in USD. The Group enters foreign currency derivative contracts in order to manage its exposure to fluctuations in foreign exchange rates (refer to Note 22 for the financial risk management policies of the Group). The gain or loss on these contracts forms part of other gains and losses and is disclosed in Note 5(b).

(iv) Sales of finished products

Revenue on finished oat products and fertiliser is recognised once the control of goods has transferred to the customer. Revenue is measured based on consideration specified in the contract with the customer.

(v) Management fees

Management fee revenue applicable to the management and administration of CBH Grain Pools is recognised according to when the services are provided.

(vi) Interest

Interest revenue is recognised as the interest accrues (using the effective interest method) to the net carrying amount of the financial asset.

(vii) Other revenue

Other revenue includes chartering revenue, despatch income and address commission. Chartering revenue and despatch are recognised when the relevant shipment has occurred. Address commission is recognised at the time the vessel is fixed.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

5 Revenue and other income (continued)

(b) Other income/(expenses)

	2023 $'000	2022 $'000
Realised gains/(losses) on:		
Foreign currency exchange contracts, swaps and options (i)	**(157,277)**	(77,712)
Commodity derivatives	**190,844**	(123,744)
Other foreign currency exchange (loss)/gain	**22,906**	45,599
Unrealised gains/(losses) on:		
Foreign currency exchange contracts, swaps and options (i)	**125,976**	(117,842)
Commodity derivatives	**(92,116)**	24,762
Other foreign currency exchange (loss)/gain	**(6,337)**	9,608
Net gain/(loss) on disposal of property, plant and equipment	**979**	(251)
Other income	**4,257**	368
Franking credits income (ii)	**83,774**	-
	173,006	(239,212)

(i) It is the Group's policy to manage its foreign exchange risk through the use of derivative instruments. The current and prior year realised and unrealised gains and losses on foreign exchange are the result of underlying currency movements. These losses and gains are predominantly offset by foreign currency sales receipts (grain sales) recorded in revenue, refer to Note 5(a). Refer to Note 22 for the financial risk management policies of the Group.

(ii) Franking credits income represents the refund of franking credits from the Australian Tax Office, related to fully franked dividends the parent entity received from subsidiaries.

6 Expenses

(a) Raw materials, traded grains and consumables used

	2023 $'000	2022 $'000
Fair value change on traded inventory at year end	**254,202**	(113,658)
Costs of goods sold	**3,829,796**	3,944,716
Changes in other inventories	**2,604**	1,884
	4,086,602	3,832,942

(b) Employee benefits expense

	2023 $'000	2022 $'000
Remuneration, bonuses and on-costs	**269,682**	235,997
Defined contribution superannuation	**25,092**	18,520
	294,774	254,517

30 SEPTEMBER 2023

Notes to the consolidated financial statements

6 Expenses (continued)

(c) Storage, handling and freight expenses

	2023 $'000	2022 $'000
Storage and handling	**213,557**	158,427
Freight (i)	**327,765**	275,754
	541,322	434,181

(i) Freight expenses include the amount CBH pays to rail and road transporters to move grain from up-country receival sites to destination sites.

(d) Marketing and trading expenses

	2023 $'000	2022 $'000
Freight (i)	**257,714**	374,290
Demurrage	**9,039**	43,079
Port and export charges	**25,996**	19,899
Storage and handling	**21,040**	19,505
Other (ii)	**10,703**	15,138
	324,492	471,911

(i) Freight expenses include the amount that the Group pays for ocean and domestic freight.

(ii) Other costs include broker costs, quality testing and assurance services.

(e) Other expenses

	Notes	2023 $'000	2022 $'000
Professional and consultancy fees		**16,184**	8,728
Software and licences		**17,127**	14,074
Net movement in provision for expected credit loss	13	**528**	(566)
Rent expense		**5,780**	4,257
Property rates and taxes		**6,140**	7,292
Sponsorship and donations		**1,897**	1,855
Travel and employee related expense		**10,263**	8,596
Impairment costs (i)		**14,923**	-
Other		**10,318**	8,298
		83,160	52,534

(i) Impairment costs relate to the write off of site remediation works carried out that failed to meet required specifications.

Notes to the consolidated financial statements

7 Income tax

Major components of income tax (benefit)/expense for the year ended 30 September 2023 and the year ended 30 September 2022 are:

	2023 $'000	2022 $'000
Statement of profit or loss and other comprehensive income		
Current income tax		
Current income tax charge	**120,890**	136,205
Adjustments in respect of current income tax of previous years	**(268)**	(1)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(41,321)**	52,842
Adjustments in respect of deferred income tax of previous years	**294**	112
Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	**79,595**	189,158

A reconciliation between tax expense and the accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:

	2023 $'000	2022 $'000
Profit before income tax expense	**516,680**	686,887
At the Group's statutory income tax rate of 30%	**155,004**	206,066
Parent entity (profit)/loss (tax exempt)	**(75,484)**	(14,471)
Other assessable income	**38**	22
Non-deductible expenses	**210**	78
Share of equity accounted results of associates	**(26)**	(2,589)
Difference in effective tax rate of overseas subsidiary	**(149)**	(27)
Prior year adjustments	**2**	79
Income tax expense	**79,595**	189,158

30 SEPTEMBER 2023

Notes to the consolidated financial statements

7 Income tax (continued)

Deferred tax	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	30 September 2023 $'000	**30 September 2022 $'000**	**30 September 2023 $'000**	**30 September 2022 $'000**
Deferred income tax assets				
Financial liabilities	**31,902**	91,929	**60,027**	(38,977)
Plant and equipment	**64**	110	**46**	(110)
Accruals and provisions	**3,104**	2,973	**(131)**	55
Other	**1,697**	1,233	**(464)**	(200)
Carry forward tax losses	**-**	-	**-**	40,797
Gross deferred income tax assets	**36,767**	96,245	**59,478**	1,565
Deferred income tax liabilities				
Financial assets	**(40,933)**	(90,921)	**(49,988)**	9,481
Plant and equipment	**(1,513)**	(827)	**686**	(166)
Inventories	**(1,575)**	(50,613)	**(49,038)**	38,897
Prepayments	**(20)**	-	**20**	(10)
Intangible assets	**(289)**	(454)	**(165)**	(165)
Other	**(2,508)**	(3,877)	**(1,369)**	3,352
Gross deferred income tax liabilities	**(46,838)**	(146,692)	**(99,854)**	51,389
Net deferred tax asset/(liability)	**(10,071)**	(50,447)		
Deferred tax (benefit)/expense			**(40,376)**	52,954
Deferred tax (benefit)/expense recognised in statement of profit or loss			**(40,376)**	52,954

Recognition and measurement

(i) Income tax

CBH was retrospectively endorsed by the Australian Taxation Office on 21 March 2014 as a charitable institution by virtue of section 50-5 of the *Income Tax Assessment Act 1997* ("ITAA 1997"), with effect from 1 July 2000.

Current tax assets and liabilities for the current year and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is not recognised:

- when the deferred income tax liability arises from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

7 Income tax (continued)

Recognition and measurement (continued)

- when the taxable temporary difference is associated with investments in subsidiaries, associates and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Due to the tax exempt status of CBH, no deferred tax amount is recognised in the parent entity.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part, of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all, or part, of the deferred income tax asset to be utilised.

Income taxes relating to items recognised directly in equity are recorded in equity and not in profit or loss.

(ii) Other taxes

An Indirect Tax Sharing Agreement ('ITSA') is in force between CBH (as the Representative member) and members of the Goods and Services Tax ("GST") Group with the effect of managing the GST liability of the Group. The ITSA covers indirect taxes which include the GST and fuel tax.

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

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

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

Cash flows are presented in the statement of cash flows on a gross basis: receipts from customers include GST on sales, whilst payments to suppliers include GST on purchases and also the amounts which are payable to or recoverable from the taxation authority, including GST on transactions presented in the statement of cash flows as part of investing or financing activities.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Significant accounting judgements, estimates and assumptions

Estimation of current tax payable and current tax expense

The Group adopts a tax policy requiring compliance with all relevant tax laws and regulations and establishes provisions based on reasonable estimates. The Group's existing accounting policy for uncertain income tax treatments is consistent with the requirement in IFRIC 23 *Uncertainty over Income Tax Treatments*.

Recognition of deferred tax asset for carried forward tax losses

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable future taxable profits will be available against which they can be used.

The Group has deferred tax assets for deductible temporary differences at year end that are available to offset against future taxable profits. Unrealised gains and losses on forward commodity contracts and traded grain inventories will qualify for inclusion in the Group's taxable income only after the underlying financial asset or liability is disposed of or settled.

Based on current years' performance and management's estimates, it is considered probable that future taxable profits will be available against which the current deductible temporary differences can be used and, therefore, the related deferred tax assets can be realised.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

Network and intangible assets

This section provides information on the Group's property, plant and equipment, intangible assets and goodwill.

8 Property, plant and equipment

Carrying amounts of property, plant and equipment

30 September 2023	Land and buildings $'000	Leasehold properties $'000	Office furniture and equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Capital works in progress $'000	Total $'000
Cost							
At 1 October 2022	1,687,440	1,004	28,891	1,291,214	62,485	311,156	3,382,190
Additions	214,462	6	3,317	49,947	6,719	259,023	533,474
Adjustments to site decommissioning asset	(8,302)	-	-	-	-	-	(8,302)
Disposals	(1)	-	-	(16)	(107)	(959)	(1,083)
Impairment (i)	-	-	-	-	-	(14,923)	(14,923)
Transfers from work-in-progress	109,833	-	107	85,235	3,149	(198,324)	-
At 30 September 2023	2,003,432	1,010	32,315	1,426,380	72,246	355,973	3,891,356
Accumulated depreciation and impairment							
At 1 October 2022	(969,128)	(313)	(24,484)	(802,514)	(47,163)	-	(1,843,602)
Depreciation expense	(115,375)	(56)	(1,204)	(52,678)	(3,980)	-	(173,293)
Disposals	-	-	-	17	107	-	124
At 30 September 2023	(1,084,503)	(369)	(25,688)	(855,175)	(51,036)	-	(2,016,771)
Net book value at 30 September 2023	**918,929**	**641**	**6,627**	**571,205**	**21,210**	**355,973**	**1,874,585**

(i) Impairment relates to the write off of site remediation works carried out that failed to meet required specifications.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

8 Property, plant and equipment (continued)

Carrying amounts of property, plant and equipment (continued)

30 September 2022	Land and buildings $'000	Leasehold properties $'000	Office furniture and equipment $'000	Plant and equipment $'000	Motor vehicles $'000	Capital works in progress $'000	Total $'000
Cost							
At 1 October 2021	1,556,839	997	27,910	1,231,562	55,666	182,164	3,055,138
Additions	57,111	7	455	17,109	5,443	252,709	332,834
Adjustments to site decommissioning asset	5,194	-	-	-	-	-	5,194
Disposals	(4,134)	-	(243)	(1,604)	(101)	(4,894)	(10,976)
Transfers from work-in-progress	72,430	-	769	44,147	1,477	(118,823)	-
At 30 September 2022	1,687,440	1,004	28,891	1,291,214	62,485	311,156	3,382,190
Accumulated depreciation and impairment							
At 1 October 2021	(863,780)	(256)	(23,864)	(759,051)	(43,089)	-	(1,690,040)
Depreciation expense	(109,365)	(57)	(817)	(44,463)	(4,158)	-	(158,860)
Disposals	4,017	-	197	1,000	84	-	5,298
At 30 September 2022	(969,128)	(313)	(24,484)	(802,514)	(47,163)	-	(1,843,602)
Net book value at 30 September 2022	**718,312**	**691**	**4,407**	**488,700**	**15,322**	**311,156**	**1,538,588**

Notes to the consolidated financial statements

8 Property, plant and equipment (continued)

Recognition and measurement

Property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Cost includes the present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located. Capital works-in-progress are valued at cost and when the asset is available and ready for use, it is transferred to the appropriate category.

Any gain or loss arising on disposal of an asset is recognised in profit or loss.

(i) Depreciation

Plant and equipment, excluding rail rolling stock, is depreciated over its estimated useful life on a straight line basis commencing from the time the asset is held ready for use.

The expected useful lives for current and comparative periods are as follows:

- Buildings: 10-50 years
- Plant and equipment: 3-40 years
- Motor vehicles: 7-15 years
- Office furniture and equipment: 5-20 years

Depreciation of rail rolling stock

The rail rolling stock included in plant and equipment, comprising locomotives and wagons, is depreciated on a usage basis. The usage is assessed based on the tonnes moved to port via rail each year as a percentage of total tonnes expected to be moved over the life of the locomotives and wagons.

Depreciation of site decommissioning assets

Assets recognised in relation to site decommissioning costs are depreciated on a straight line basis over the estimated useful life of the assets, commencing from the time the sites are ready for use and ending on the earlier of the planned decommissioning date and site lease maturity date.

(ii) Repairs and maintenance

When a major component of an asset is replaced, the costs are capitalised and depreciated. All other repair and maintenance costs are recognised in profit or loss as incurred.

Significant accounting judgements, estimates and assumptions

Impairment policy

The Group assesses indicators of impairment for all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic, environmental and political conditions and future product expectations.

If any such indicator exists, the Group makes an estimate of the asset's recoverable amount. An impairment loss is recognised in profit or loss when the carrying amount of the asset exceeds its recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical and industry experience (for plant and equipment), lease term (for leased equipment) and turnover policies (for motor vehicles). Adjustments to useful lives are made when considered necessary. Rail rolling stock of $99,053,371 (2022: $97,030,000) is included in plant and equipment, the depreciation profile is based on the total tonnage moved to port via rail each year as a percentage of total tonnage expected to be moved over the life of the locomotives and wagons.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

9 Intangible assets and goodwill

30 September 2023	Goodwill $'000	Software costs $'000	Software development in progress $'000	Customer contracts $'000	Other $'000	Total $'000
Cost						
At 1 October 2022	21,373	176,095	11,093	5,500	484	214,545
Additions	5,586	7,114	5,121	-	-	17,821
Disposal and write-offs	-	-	-	-	(2)	(2)
Transfers from work-in-progress	-	2,739	(2,739)	-	-	-
At 30 September 2023	26,959	185,948	13,475	5,500	482	232,364
Accumulated amortisation						
At 1 October 2022	-	(158,131)	-	(3,988)	-	(162,119)
Amortisation	-	(8,883)	-	(550)	-	(9,433)
At 30 September 2023	-	(167,014)	-	(4,538)	-	(171,552)
Net book value at 30 September 2023	**26,959**	**18,934**	**13,475**	**962**	**482**	**60,812**

30 September 2022	Goodwill $'000	Software costs $'000	Software development in progress $'000	Customer contracts $'000	Other $'000	Total $'000
Cost						
1 October 2021	21,373	168,351	11,338	5,500	-	206,562
Additions	-	1,170	7,420	-	484	9,074
Disposal and write-offs	-	-	(1,091)	-	-	(1,091)
Transfers from work-in-progress	-	6,574	(6,574)	-	-	-
30 September 2022	21,373	176,095	11,093	5,500	484	214,545
Accumulated amortisation						
1 October 2021	-	(148,483)	-	(3,438)	-	(151,921)
Amortisation	-	(9,648)	-	(550)	-	(10,198)
30 September 2022	-	(158,131)	-	(3,988)	-	(162,119)
Net book value at 30 September 2022	**21,373**	**17,964**	**11,093**	**1,512**	**484**	**52,426**

9 Intangible assets and goodwill (continued)

Recognition and measurement

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is not amortised, however its carrying amount is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(ii) Software and software development costs

Costs incurred in developing products or systems and acquiring software and licences that are controlled by the Group and will contribute to future benefits, are capitalised at cost and amortised on a straight-line basis over their expected useful life.

Software development costs are recognised only when the Group can demonstrate the technical feasibility of completing the development project, its intention to complete and its ability to use the asset to generate future economic benefits.

Computer software amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is recognised in profit or loss and included in depreciation and amortisation expense.

The estimated useful lives for current and comparative periods for computer software range between 4-8 years.

Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria.

Costs that do not result in intangible assets are expensed as incurred, unless they are deemed to not be distinct from the underlying use of the cloud computing application software, in which case the costs are recorded as a prepayment for services and amortised over the contract term of the cloud computing arrangement.

(iii) Customer contracts

Intangible assets in relation to customer contracts have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. Customer contracts are amortised over their useful lives using the straight line method. The estimated useful life for customer contract is 10 years and amortisation is recognised in profit or loss and included in depreciation and amortisation expense.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Significant accounting judgements, estimates and assumptions

Impairment of goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the combination.

Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised.

Goodwill primarily relates to the acquisition of Blue Lake Milling Pty Ltd ("BLM") in 2015 (carrying amount: $18,180,000).

Blue Lake Milling

The carrying amount of goodwill relating to the acquisition of BLM in 2015 was $18,180,000. The Group has determined the recoverable amount of BLM using the value in use methodology.

The calculation of value in use is most sensitive to the following key assumptions:

- **Oat volumes and prices:** based on budgeted volumes and prices, adjusted for inflation.
- **Cash flows:** management forecasts projected over a period of five years and a terminal growth factor thereafter.
- **Discount rates:** reflect management's estimate of the time value of money and the risks to the CGU that are not already reflected in the cash flows. In determining appropriate discount rates, regard has been given to the weighted average cost of capital of the entity as a whole and adjusted for business risk specific to BLM. A pre-tax nominal discount rate of 11.43% was applied to the forecast cash flows.
- **Terminal value growth rate:** based on long term growth in agricultural production. A rate of 1.2% was used.

Sensitivity testing of key assumptions indicates that a reasonably possible change in any of the above key assumptions would not result in the carrying value of the CGU materially exceeding its recoverable value.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

9 Intangible assets and goodwill (continued)

Significant accounting judgements, estimates and assumptions (continued)

Software-as-a-Service arrangement

In respect of configuration and customisation costs incurred in implementing software as a service arrangements (SaaS), management has considered the following key judgements that may have significant effect on the amounts recognised in financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Non-distinct configuration and customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

During the financial year, the Group did not recognise any prepayments in respect of configuration and customisation activities undertaken in implementing SaaS arrangements which are considered not to be distinct from the access to the SaaS application software over the contract term.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application. Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

10 Leases

This note provides information on leases where the Group is a lessee.

(a) Reconciliation of carrying amounts

30 September 2023	Land and buildings $'000	Rail infrastructure $'000	Vehicles $'000	Other $'000	Total $'000
Right-of-use assets					
Cost					
At 1 October 2022	110,610	105,745	177,041	297	393,693
Additions	3,749	–	30,413	–	34,162
Disposals	(4,695)	–	(12,174)	–	(16,869)
Lease remeasurement	5,028	3,709	5,516	–	14,253
Foreign currency translation	(13)	–	–	–	(13)
At 30 September 2023	**114,679**	**109,454**	**200,796**	**297**	**425,226**
Accumulated depreciation					
At 1 October 2022	(20,733)	(42,305)	(21,491)	(189)	(84,718)
Depreciation	(7,462)	(15,623)	(38,472)	(41)	(61,598)
Disposals	4,445	–	12,174	–	16,619
Foreign currency translation	8	–	–	–	8
At 30 September 2023	**(23,742)**	**(57,928)**	**(47,789)**	**(230)**	**(129,689)**
Carrying amount at 30 September 2023	**90,937**	**51,526**	**153,007**	**67**	**295,537**

30 September 2022	Land and buildings $'000	Rail infrastructure $'000	Vehicles $'000	Other $'000	Total $'000
Right-of-use assets					
Cost					
At 1 October 2021	90,983	102,264	10,529	275	204,051
Additions	21,360	–	168,772	22	190,154
Disposals	(3,154)	–	(2,260)	–	(5,414)
Lease remeasurement	1,465	3,481	–	–	4,946
Foreign currency translation	(44)	–	–	–	(44)
At 30 September 2022	**110,610**	**105,745**	**177,041**	**297**	**393,693**
Accumulated depreciation					
At 1 October 2021	(15,380)	(27,349)	(4,162)	(139)	(47,030)
Depreciation	(7,882)	(14,956)	(19,589)	(50)	(42,477)
Disposals	2,478	–	2,260	–	4,738
Foreign currency translation	51	–	–	–	51
At 30 September 2022	**(20,733)**	**(42,305)**	**(21,491)**	**(189)**	**(84,718)**
Carrying amount at 30 September 2022	**89,877**	**63,440**	**155,550**	**108**	**308,975**

10 Leases (continued)

(a) Reconciliation of carrying amounts (continued)

Lease liabilities	2023 $'000	2022 $'000
At 1 October	**319,290**	163,955
Additions	**34,162**	190,154
Repayments	**(68,561)**	(45,913)
Lease remeasurements	**14,253**	4,947
Interest expense	**9,103**	6,837
Disposals	**(255)**	(676)
Foreign currency translation	**(6)**	(14)
Carrying amount at 30 September	**307,986**	**319,290**
At 30 September		
Current	**63,187**	54,989
Non-current	**244,799**	264,301
Carrying amount at 30 September	**307,986**	**319,290**

The Group leases grain port facilities, land, offices, warehouses, equipment and vehicles. The Group also recognised as a lease a portion of the agreement in relation to Western Australian rail infrastructure.

(b) Other items recognised in profit and loss

In addition to depreciation and interest expense disclosed in paragraph (a) above, the following items have been recognised in the profit and loss in relation to leases.

	2023 $'000	2022 $'000
Expenses relating to short-term leases	**9,104**	6,858
Variable lease payments	**14,868**	11,471
Total	**23,972**	**18,329**

The total cash out flow for leases in 2023 was $92,533,000 (2022: $64,242,000).

Recognition and measurement

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and account these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices. Non-lease components are items that are not related to securing the use of the underlying asset.

(i) Right-of-use assets

The Group recognises right-of-use assets and lease liabilities at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make good obligations and initial direct costs incurred.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated using straight-line method over the shorter of the useful life or the lease term. When the Group is reasonably certain to exercise an extension option on the right-of-use asset, it is depreciated over the extended lease term.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

10 Leases (continued)

(b) Other items recognised in profit and loss (continued)

Recognition and measurement (continued)

Right-of-use assets expected useful lives for the current period are as follows:

	Range of remaining term
Land and buildings	1 - 80 years
Rail infrastructure	3 years
Motor vehicles	1 - 7 years
Other	1 - 5 years

(ii) Lease liabilities

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined. Minimum lease payments are fixed payments (less any lease incentive receivable) or index- based variable payments incorporating the Group's expectations of extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. Refer Note 22(c) for maturities of lease liabilities.

(iii) Short-term leases and low-value assets

Short-term leases (12 months or less lease term) and leases of low value assets are recognised as expenses in the consolidated income statement.

Significant accounting judgements, estimates and assumptions

Control

Judgement is required to assess whether the contract is, or contains, a lease. A lease arises when the Group has the right to direct the use of an identifiable asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use. The Group recognises right-of-use assets and liabilities for rail infrastructure when the estimated utilisation is 90% or more share of a route's traffic.

Discount rates

Judgement is required to determine the discount rate when the rate implicit in the lease cannot be readily determined. The incremental borrowing rate is determined with reference to the corporate bond yields with a similar credit rating to the lessee and with similar maturities to the lease term.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the consolidated financial statements

Investments

This section provides information on the subsidiaries, associates and other financial assets of the Group.

11 Investment in controlled entities

Set out below is a list of material subsidiaries of the Group.

Name of controlled entity	Country of incorporation	Equity holding	
		2023 %	2022 %
CBH Grain Pty Ltd	Australia	**100**	100
CBH Group Holdings Pty Ltd (i)	Australia	**100**	100
Australian Bulk Stevedoring Pty Ltd	Australia	**100**	100
Bulkwest Pty Ltd	Australia	**100**	100
Westgrains Insurance Pte Ltd	Singapore	**100**	100
CBH Grain Pty Ltd controlled entities			
CBH Grain Asia Ltd	Hong Kong	**100**	100
CBH Grain Japan Co. Ltd	Japan	**100**	100
CBH Group Holdings Pty Ltd controlled entities			
CBH Pty Ltd (i)	Australia	**100**	100
CBH (WA) Pty Ltd (i)	Australia	**100**	100
Blue Lake Milling Pty Ltd (i)	Australia	**100**	100
Geraldton Motor Inn Pty Ltd	Australia	**100**	-
Bulkwest Pty Ltd controlled entities			
CBH Engineering Pty Ltd	Australia	**100**	100

(i) These entities are parties to the Deed of Cross Guarantee and members of the Closed Group as at 30 September 2023. Refer to Note 25.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

11 Investment in controlled entities (continued)

Recognition and measurement

Subsidiaries

Subsidiaries are all those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements are prepared for the same reporting year as the parent entity using consistent accounting policies.

Business Combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, as a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in a business combination shall be measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss. Acquisition-related costs are expenses as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

In preparing the consolidated financial statements, all intra-group transactions have been eliminated in full.

Significant accounting judgements, estimates and assumptions

CBH Grain Pools

The Group considers that it does not control CBH Grain Pools. While the Group does manage the CBH Grain Pools' relevant activities, there is not significant exposure to variable returns. The Group acts as an agent and not as a principal in relation to the sale of pool products, and is remunerated on a fixed "fee for service" arrangement.

12 Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. All associates have a 30 September reporting date.

Details of the Group's associates at the end of the reporting period are as follows:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group 2023 %	2022 %	Principal activities
Interflour Group entities ("Interflour Group")				
Pacific Agrifoods Limited	British Virgin Islands	**50.0**	50.0	Holding company
Interflour Group Pte Limited ("IFG") (i)	Singapore	**50.0**	50.0	Flour milling

(i) CBH holds a 50% interest in IFG, the ultimate parent entity of the consolidated Interflour Group of entities. After minority interests are taken into account, CBH effectively holds 46% (2022: 44%) of the consolidated Interflour Group's net assets.

12 Investments in associates (continued)

	2023 $'000	2022 $'000
Carrying amount by entity		
Carrying amount of the Group's interest in Interflour Group	**133,659**	129,964

	2023 $'000	2022 $'000
Share of profit/(loss) from associates by entity		
Interflour Group (see details of material associates below)	**86**	8,629
Total share of profit/(loss) from associate	**86**	8,629

Details of material associates

Interflour Group	2023 $'000	2022 $'000
Movement in carrying amount		
Carrying amount at the beginning of the financial year	**129,964**	120,570
Share of associate profit/(loss) after income tax (i)	**86**	8,629
Share of associates' movement in reserves (ii)	**(3,172)**	(13,283)
Unrealised foreign exchange translation movements (iii)	**(639)**	14,048
Change in associate's effective interest in its subsidiaries (iv)	**7,420**	-
Carrying amount at the end of the financial year	**133,659**	129,964

(i) Share of associates' profits/(losses) after income tax represents the Group's share of profits/losses which is recognised by the Group as an increase/decrease in the carrying amount of the investment in associates.

(ii) Share of associates' movements in reserves include movements in the foreign currency translation, cash flow hedge and defined benefit plan. Foreign currency movements arise from the translation of the financial statements of Interflour Group's subsidiaries into its functional currency USD. The share of associates' movement in reserves will either increase or reduce the carrying amount of the investment in associates.

(iii) Unrealised foreign exchange translation movements arise from the translation of the financial statements of Interflour Group from their USD functional currency into CBH's functional currency, being AUD.

(iv) CBH has recognised its share of IFG's equity reserve movements ($7.4 million) as a direct increase in equity with a corresponding increase in the carrying amount of the investment in IFG as shown above. During the year IFG acquired additional 30% of the shareholding in Prestasi Flour Mill and Sarawak Flour Mill, the subsidiaries of Interflour Holdings (M) SDN BHD ("IFHM") based in Malaysia, giving it 100% ownership. IFG has also sold 20% of its shareholding in Mabuhay Interflour Mill Inc., a flour mill based in the Philippines without a change in control.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

12 Investments in associates (continued)

Details of material associates

	Interflour Group	
	2023 $'000	**2022 $'000**
Current assets	**440,176**	570,937
Non-current assets	**361,507**	379,596
Current liabilities	**(294,676)**	(454,969)
Non-current liabilities	**(287,380)**	(273,247)
Net assets	**219,627**	222,317
Net assets (50%)	**109,814**	111,158
Non-controlling interests (50%)	**(9,226)**	(14,380)
Goodwill	**16,810**	16,925
Other intangible assets	**8,677**	8,677
Fair value of shareholder loan	**7,584**	7,584
Carrying amount of the Group's interest in Interflour Group	133,659	129,964
Revenue (100%)	**1,314,193**	1,116,224
Profit/(loss) (100%)	**172**	17,258
Other comprehensive income/(expense) (100%)	**8,495**	(26,566)
Total comprehensive income/(expense) (100%)	**8,667**	(9,308)

Loan to associate

The Group had the following receivable amounts due from the Interflour Group, which excludes any credit loss provision:

	2023 $'000	**2022 $'000**
Unsecured interest-free USD-denominated loan (Note 13)	**44,145**	43,518

The US$30 million loan is subordinated to Interflour Group's secured bank facilities and is repayable on demand after 30 June 2026. Repayment of up to US$ 5.0 million is permissible subject to Interflour Group satisfying certain covenants.

The difference between the carrying value of the loan and the loan's fair value at the date of subordination was recognised as an addition to the carrying value of the Group's investment in Interflour. The fair value of the loan was determined based on a market interest of 2.4%.

When applying the effective interest method, interest revenue is recognised in the profit or loss on a monthly basis.

Notes to the consolidated financial statements

12 Investments in associates (continued)

Recognition and measurement

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

Significant accounting judgements, estimates and assumptions

Impairment policy

As outlined in Note 8, the Group assesses indicators of impairment for all assets on an annual basis. Management have conducted an assessment of impairment indicators in respect of the Interflour Group in 2023.

Recoverable amount of investment in associates

The Group performed an assessment for impairment indicators in relation to its investment in the Interflour Group at year end. In performing this assessment, judgement has been exercised in respect of assessing changes in the market value of the Interflour Group which is performed by analysing market conditions, expected future earnings and earnings multiples. Specifically, the following factors have been considered:

- maintainable EBITDA is estimated based on a probability weighted forecast that reflects future expectations; and
- the multiple applied which is comparable to relevant observable market transactions and listed company valuations.

On the basis of this assessment, the Group is satisfied that no impairment indicators exist at the reporting date. Future changes in the assumptions may impact the assessment of impairment indicators, and could give rise to an impairment in future periods.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

Operating assets and liabilities

This section provides information on the working capital of the Group.

13 Trade and other receivables

	2023 Current $'000	2023 Non-current $'000	2023 Total $'000	2022 Current $'000	2022 Non-current $'000	2022 Total $'000
Trade receivables	**248,528**	**-**	**248,528**	362,434	-	362,434
Loans to growers	**106,426**	**-**	**106,426**	215,731	-	215,731
Margin deposits	**62,821**	**-**	**62,821**	103,152	-	103,152
Term deposits	**4,675**	**-**	**4,675**	34,799	-	34,799
Other receivables	**24,306**	**-**	**24,306**	21,160	-	21,160
Loan to associate (Note 12)	**-**	**44,145**	**44,145**	-	43,518	43,518
Provision for credit loss	**(2,594)**	**(2,236)**	**(4,830)**	(1,372)	(2,946)	(4,318)
	444,162	**41,909**	**486,071**	735,904	40,572	776,476

The ageing analysis of trade and other receivables is as follows:

As at 30 September 2023	**Weighted average loss rate %**	**Gross carrying amount $'000**	**Provision for credit loss $'000**
Not past due	0.85	472,829	(4,031)
1 - 30 days overdue	2.28	10,598	(242)
31 - 60 days overdue	1.87	3,168	(59)
61 - 90 days overdue	0.28	1,213	(3)
More than 90 days overdue	15.99	3,093	(495)
		490,901	(4,830)

As at 30 September 2022	**Weighted average loss rate %**	**Gross carrying amount $'000**	**Provision for credit loss $'000**
Not past due	0.56	768,925	(4,259)
1 - 30 days overdue	0.35	7,204	(25)
31 - 60 days overdue	0.28	371	(1)
61 - 90 days overdue	0.30	1,632	(5)
More than 90 days overdue	1.05	2,662	(28)
		780,794	(4,318)

30 SEPTEMBER 2023

Notes to the consolidated financial statements

13 Trade and other receivables (continued)

Recognition and measurement

(i) Trade receivables

Trade receivables are generally non-interest bearing with 14 to 30 day terms. Trade receivables and other receivables, including amounts owing from related parties are initially recognised at fair value and subsequently measured at amortised cost, less provision for credit loss.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

(ii) Loans to growers

Loans receivable from growers are interest bearing and represent funds advanced to growers based on tonnes either:

- committed to CBH in respect of grower finance (Pre-pay Advantage and Grain for Fertiliser) or;
- delivered into CBH Grain Pools.

These receivables are settled by deliveries of grain to the Group and cash received from Pools sales, respectively.

Loans receivable in respect of grower finance amounted to $106,426,000 (2022: $107,770,000). The loan balance related to CBH Grain Pools amounted to a payable of $10,493,000 (2022: receivable of $107,961,000) and has been recorded under sundry payables (Note 15).

During the year, the interest rates charged on grower finance ranged from 4.25% to 7.55% (2022: 3.40% to 6.70%).

(iii) Margin deposits

Margin deposits relate to futures accounts at call and are held in US Dollars, Canadian Dollars, Euro and Australian Dollars. Average interest rates on the futures accounts are: US Dollars: 5.15% (2022: 2.90%), Canadian Dollars: 4.00% (2022: 2.25%), Euro: 3.08% (2022: -0.14%), Australian Dollars: 3.45% (2022: 1.70%).

(iv) Term deposits

Term deposits are presented as current assets when they have a maturity of three months or more from the date of acquisition and are not repayable on demand without a loss of interest. Term deposits were held in Australian Dollars at 3.24% average interest rate (2022: 1.98%), in US Dollars at 5.16% average interest rate (2022: 4.13%), and in Hong Kong Dollars at 0.68% average interest rate (2022: 0.10%).

(v) Provision for credit loss

The provision for credit loss amounted to $4,830,000 (2022: $4,318,000). The general approach has been used to calculate the credit loss on loan to associate and loans to growers in respect of grower finance. The simplified approach has been used for all other receivables.

Significant accounting judgements, estimates and assumptions

The Group makes an estimate of the credit loss in relation to trade and other receivables. Refer to Note 22(b) for details.

Movements in the provision for credit loss were as follows:

	2023 $'000	**2022 $'000**
At 1 October	**4,318**	5,752
Bad debt written off	**(16)**	(868)
Net movement in provision for expected credit loss	**528**	(566)
At 30 September	**4,830**	4,318

30 SEPTEMBER 2023

Notes to the consolidated financial statements

14 Inventories

	2023 $'000	2022 $'000
At fair value less cost of disposal:		
Traded grain	**954,284**	807,091
At lower of cost and net realisable value:		
Raw materials and stores	**41,849**	44,278
Finished goods	**17,397**	20,543
	59,246	64,821
Total inventory	**1,013,530**	871,912

Recognition and measurement

(i) Traded grain

Traded grain is measured at fair value less costs of disposal, with changes in fair value recognised in the profit or loss.

(ii) Finished goods and other inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs for completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average method and includes materials costs and direct transport and handling costs incurred in bringing the inventories to their present location and condition.

Significant accounting judgements, estimates and assumptions

Valuation of traded grain

Traded grain is valued using either Level 2 or Level 3 fair value measurements (refer to Note 22(d)).

Level 2 is based on the market comparison technique and uses exchange-quoted grain prices, if available, or independent broker assessments, adjusted for quality and location differentials. Level 3 is based on realised sale prices, adjusted for market view and quality and location differentials.

Traded grain inventory price risk is included in the Group's Value at Risk (VaR) calculations. Refer to Note 22(a) for more information.

The fair value of inventories is summarised below.

	2023 $'000	2022 $'000
Fair Value Measurement	**831,057**	731,781
Level 2	**123,227**	75,310
Level 3	**954,284**	807,091

A change in the Level 3 input price for inventories of plus/minus 10% would have a proportionate impact on the inventory value, and be recognised in profit or loss.

Notes to the consolidated financial statements

14 Inventories (continued)

The following shows the net changes in fair value of Level 3 inventory:

	2023 $'000	2022 $'000
At 1 October	**75,310**	37,049
Purchases	**189,802**	199,479
Sales	**(158,535)**	(163,716)
Written off	**(195)**	(310)
Unrealised change in fair value	**16,845**	2,808
At 30 September	**123,227**	75,310

15 Trade and other payables

	2023 $'000	2022 $'000
Current		
Trade payables	**101,921**	116,184
Accrued expenses	**76,144**	126,451
Sundry payables	**25,452**	15,103
	203,517	257,738
Non-current		
Other payables	**429**	414

Recognition and measurement

Current trade and other payables are carried at amortised cost representing liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and non-interest bearing and are usually paid within 30 days of recognition.

(i) Trade payables

Trade payables are non-interest bearing and are usually paid within 30 day terms.

(ii) Accrued expenses

Accrued expenses include execution cost accruals relating to the sale of grain; capital accruals and other items.

(iii) Sundry Payables

Sundry payables relate to other payables and include levies, captive insurance payable, customer prepayments and loan balance payable to CBH Grain Pools.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

16 Other Liabilities

	2023 $'000	2022 $'000
Current		
Deferred revenue (i)	**101,492**	79,815
Freight fund liability (ii)	**12,200**	-
	113,692	79,815

(i) Deferred revenue includes freight billing for services not yet performed.

(ii) The freight fund does not operate at a profit. The liability reflects the surplus accumulated from freight operations carried forward to be redistributed to growers in the form of cash rebates or reduced freight rates in future years.

17 Provisions

	Employee benefits provision $'000	Site rehabilitation provision $'000	Total $'000
1 October 2022	43,010	44,515	87,525
Arising during the year	20,952	-	20,952
Remeasurement during the year	-	(5,602)	(5,602)
Utilised	(17,715)	-	(17,715)
30 September 2023	**46,247**	**38,913**	**85,160**

	Employee benefits provision $'000	Site rehabilitation provision $'000	Total $'000
30 September 2023			
Current	39,297	2,441	41,738
Non-current	6,950	36,472	43,422
	46,247	**38,913**	**85,160**
30 September 2022			
Current	36,714	807	37,521
Non-current	6,296	43,708	50,004
	43,010	**44,515**	**87,525**

Notes to the consolidated financial statements

17 Provisions (continued)

Recognition and measurement

Employee benefits

A liability for annual leave, long service leave and sick leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Balances are calculated to present value at an appropriate pre-tax discount rate.

Site rehabilitation provision

The Group recognises a site decommissioning provision relating to obligations to dismantle and remove storage and handling assets and to rehabilitate closed sites which are not part of the network plan. Over time, the provision is increased to record the liability at its present value based on prevailing government bond discount rates. The unwinding of the discount is recognised as an accretion charge in the profit and loss.

The carrying amount of the capitalised decommissioning asset is depreciated over the useful life of the related asset (see Note 8).

The Group's assessment of the present value of the site decommissioning provisions requires the use of significant estimates and judgements, including the future cost of performing the work required, timing of the cash flows, discount rates, final remediation strategy and future land use requirements. A change in any of the assumptions used to determine the provisions could have a material impact on the carrying value of the provision. In the case of provisions for sites which remain in use, adjustments to the carrying value of the provision are offset by a change in the carrying value of the related asset. Where the provisions are for sites no longer in use, any adjustment is reflected directly in profit or loss.

Significant accounting judgements, estimates and assumptions

The Group measures the value of annual leave, long service leave and sick leave liabilities 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 valuation method. The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

Capital and financial risk management

This section provides information on the equity and net debt of the Group. The section also discusses the Group's exposure to various financial risks, how these affect the Group's financial position and how the Group manages these risks.

18 Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and on hand	**81,718**	152,051
Deposits at call	**145,560**	239,333
	227,278	391,384

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Deposits at call are held in Australian Dollars at an average interest rate of 4.77% (2022: 3.05%). Included in deposits at call in 2022 was a dividend fund of $169 million, this account was to exclusively fund the Network capital projects. The dividend fund was fully utilised in 2023.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. Term deposits that have maturity of more than three months from the date of acquisition are presented as trade and other receivables.

(a) Cash flow reconciliation

	2023 $'000	2022 $'000
Reconciliation of net profit after tax to net cash flows from operations:		
Net profit/(loss) after income tax expense	**437,085**	497,729
Adjustments to reconcile profit after tax to net cash flows:		
Depreciation and amortisation	**244,324**	211,509
Net profit on disposal of property, plant and equipment	**(1,016)**	72
Non-cash movement in site rehabilitation provision	**2,044**	5,848
Non-cash movements in capital works in progress	**15,878**	5,984
Share of associates (profit)/loss	**(86)**	(8,629)
Unrealised (gain)/loss on foreign exchange and derivatives	**(27,523)**	83,472
Income tax expense/(benefit)	**79,595**	189,158
Net finance costs	**28,426**	16,873
Impairment loss/(reversal) on trade and other receivables	**528**	(566)
Receipt of asset-related government grants	**(4,014)**	-
Other non-cash items	**(1,773)**	541

Notes to the consolidated financial statements

18 Cash and cash equivalents (continued)

(a) Cash flow reconciliation (continued)

	2023 $'000	2022 $'000
Working capital adjustments:		
(Increase)/decrease in inventories	**(141,347)**	(567,817)
(Increase)/decrease in trade and other receivables	**104,501**	(227,382)
(Increase)/decrease in prepayments	**(4,249)**	(52)
Increase/(decrease) in trade and other payables	**(56,565)**	105,086
Increase/(decrease) in provisions	**2,552**	2,923
Increase/(decrease) in other liabilities	**33,877**	46,909
Other adjustments:		
Interest received	**46,695**	13,828
Interest paid	**(75,214)**	(29,812)
Income tax paid	**(187,224)**	(4,859)
Franking credit refund	**(83,774)**	-
Net cash inflow/(outflow) from operating activities	**412,720**	340,815

Recognition and measurement

For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand, deposits held at call with financial institutions and any outstanding bank overdrafts.

19 Interest bearing loans and borrowings

	2023 $'000	2022 $'000
Secured bank loans (current) (i)	**521,338**	719,274
Secured bank loans (non-current)	**-**	40,000
	521,338	759,274

(i) Included in Secured bank loans (current) is an inventory funding balance of $nil (2022: $38,654,000). The inventory funding is a financing arrangement utilising grain inventory and to be repaid at agreed future prices and dates. The loan is based on a monthly maturity price and date.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

19 Interest bearing loans and borrowings (continued)

(a) Reconciliation of interest bearing loans and borrowings

This section reconciles changes in liabilities arising from financing activities.

	Bank loans $'000
As at 1 October 2022	**759,274**
Proceeds from borrowings	2,185,737
Repayments	(2,424,378)
Net cash flow on borrowings	(238,641)
Other non-cash movements	705
As at 30 September 2023	**521,338**

Recognition and measurement

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised.

(b) Fair value

Unless otherwise disclosed, the carrying amounts of the Group's borrowings approximate fair value.

(c) Interest rate and liquidity risk

Details regarding interest rate and liquidity risk are disclosed in Note 22.

(d) Terms and conditions

The bank loans are predominantly denominated in Australian Dollars.

Bank loans are subject to annual review.

Negative pledge and loan covenants - CBH Grain Pty Ltd

The bank loans of CBH Grain Pty Ltd include a negative pledge that require (subject to certain exceptions) CBH Grain Pty Ltd to not provide any other security over its assets, and covenants to ensure that the following financial ratios and conditions are met throughout the term of the loan facilities:

(i) The financial indebtedness of CBH Grain Pty Ltd should not exceed the aggregate of:
- 100% of cash on hand;
- 90% of grain sold that is either on hand or in the course of delivery;
- 80% of the value of prepayment advances made to growers for the purchase of grain;
- 100% of the mark to market value of grain net open derivative position;
- 80% of the market value of grain that is not sold; and
- 80% of the total value of debtors on terms of 90 days or less.

(ii) The net realised and unrealised grain trading positions should not exceed losses of $50,000,000; and

(iii) Paid up equity plus parent guarantee is at least $200,000,000 or its equivalent at all times.

Negative pledge and loan covenants - CBH Ltd

The bank loans of CBH Ltd include a negative pledge that require (subject to certain exceptions) CBH Ltd to not provide any other security over its assets and the following covenant:

(i) Total assets less total intangible assets and total liabilities are not less than $1,000,000,000; and

(ii) Financial indebtedness limit of $500,000,000.

(e) Financing facilities

The Group has the following facilities in place at year end. All facilities are expressed in Australian dollars unless otherwise disclosed.

Notes to the consolidated financial statements

19 Interest bearing loans and borrowings (continued)

(e) Financing facilities (continued)

	Total facility amount $'000	Utilised facility amount $'000	Facility expiry date
Controlled entities			
CBH Grain Pty Ltd Facility	100,000	-	13/10/2023
CBH Grain Pty Ltd Facility	100,000	-	13/10/2023
CBH Grain Pty Ltd Facility	100,000	-	13/10/2023
CBH Grain Pty Ltd Facility	200,000	-	13/10/2023
CBH Grain Pty Ltd Facility	200,000	160,000	13/10/2023
CBH Grain Pty Ltd Facility	100,000	80,000	13/10/2023
CBH Grain Pty Ltd Facility	50,000	-	13/10/2023
CBH Grain Pty Ltd Facility	200,000	200,000	13/10/2023
CBH Grain Pty Ltd Facility	100,000	80,000	27/10/2023
Total	**1,150,000**	**520,000**	

The facilities are a combination of bilateral term loans and trade facilities with total facility limits of $1,150,000,000. As at 30 September 2023, $520,000,000 of the bilateral term loans was drawn down.

Under the financing facilities, the lenders hold fixed and floating securities over the assets of CBH Grain Pty Ltd and its subsidiaries. The interest rate is calculated with reference to the Australian dollar bank bill rate, plus a margin at normal commercial terms. The effective interest rate for the year was 4.27% (2022: 1.18%).

The Directors have approved these facilities, which will be renewed as required. Refer to subsequent events Note 31 for details.

	Total facility amount $'000	Utilised facility amount $'000	Facility expiry date
Controlled entities			
CBH Ltd Facility	70,000	-	23/06/2024
CBH Ltd Facility	60,000	-	23/06/2024
CBH Ltd Facility	70,000	-	23/06/2024
Total	**200,000**	**-**	

The facilities are bilateral term loans with total facility limits of $200,000,000. As at 30 September 2023, the facilities were undrawn.

Under the financing facilities, the lenders hold fixed and floating securities over the Co-operative's assets. The interest rate is calculated with reference to the Australian dollar bank bill rate, plus a margin at normal commercial terms. The effective interest rate for the year was 4.26% (2022: 1.18%).

(f) Defaults and breaches

During the current year, there were no defaults or breaches on any of the loans.

Notes to the consolidated financial statements

20 Contributed equity and reserves

(a) Share capital

(i) Ordinary Shares

	2023 $	2022 $
Shares Issued	**3,716**	3,860
	3,716	3,860

Ordinary shares have a par value of $2.00 each. CBH does not have authorised capital. The right to vote attaches to membership and not shareholding.

In the event of winding up, the Bulk Handling Act 1967 provides that any surplus shall be distributed in a manner directed by the Treasurer of the State of Western Australia.

In relation to the distribution of surplus profits, except for the payment of $2.00 on the cancellation of a paid share, the Bulk Handling Act 1967 and the Co-operative's Rules prohibit the distribution of any surplus or profits to shareholders.

Issued and paid up capital is recognised at the fair value of the consideration received.

(ii) Movements in ordinary share capital

	Paid shares number	Unpaid shares number	Total number	Issue price $	Share capital $
At 1 October 2021	2,029	1,574	3,603	2.00	4,058
Shares issued (i)	-	85	85	-	-
Shares cancelled (ii)	(99)	(67)	(166)	-	(198)
At 1 October 2022	**1,930**	**1,592**	**3,522**	**2.00**	**3,860**
Shares issued (i)	-	137	137	-	-
Shares cancelled (ii)	(72)	(65)	(137)	-	(144)
At 30 September 2023	**1,858**	**1,664**	**3,522**	**2.00**	**3,716**

(i) During the current year 137 ordinary shares (2022: 85) were issued and remained unpaid as at 30 September 2023. The parent entity retains the right to call on all outstanding ordinary shares at any time in the future. The total number of unpaid ordinary shares is 1,664 (2022: 1,592).

(ii) During the year 137 ordinary shares (72 paid and 65 unpaid) were cancelled through failure to meet the Active Membership Requirements under Rule 4 of the Co-operative's Rules (2022: 166 ordinary shares, 99 paid and 67 unpaid) and no shares were cancelled due to member resignation (2022: none).

(b) Capital management

The Group's policy is to ensure that CBH is adequately capitalised at all times in order to protect its assets and to create and return value for West Australian growers. Capital consists of total equity and long term debt relating to financing activities. Due to the structure of the business, dividends are not paid to shareholders with sources of capital being through debt finance and retained earnings.

The Board is responsible for monitoring and approving the capital management framework within which management operates. Capital is regularly monitored using various benchmarks, with the main internal measures being return on capital employed and gearing (equity to assets ratio).

Notes to the consolidated financial statements

20 Contributed equity and reserves (continued)

(b) Capital management (continued)

	2023 $'000	2022 $'000
Profit/(loss) after tax (A)	**437,085**	497,729
Opening capital	**2,388,722**	1,892,522
Closing capital	**2,837,748**	2,388,722
Average capital (B)	**2,613,235**	2,140,622
Return on average equity (A/B)	**16.7%**	23.3%
Total equity (C)	**2,837,748**	2,388,722
Total assets (D)	**4,248,270**	4,378,551
Equity to assets ratio (C/D)	**66.8%**	54.6%

(c) Reserves

	2023 $'000	2022 $'000
Capital levy reserve	**52,587**	52,587
General reserve	**2,101,848**	1,847,597
Foreign currency translation reserve	**(34,750)**	(32,228)
Acquisition reserve	**(1,175)**	(1,175)
Cash flow hedge reserve	**9,299**	690
	2,127,809	1,867,471

Under the Bulk Handling Act 1967 CBH is permitted to build up reserves and does not make distributions of these reserves to shareholders.

Nature and purpose of other reserves

Capital Levy Reserve

The Capital Levy Reserve was created upon CBH being converted to a tax exempt entity as a result of changes to the Bulk Handling Act in 1971. This exemption removed from CBH the right to pay dividends to shareholders with the funds that would have been paid being transferred to this reserve.

General Reserve

The General Reserve is used to hold the transfer of profits or losses relating to CBH from retained earnings as required by the *Bulk Handling Act 1967.*

Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to record unrealised exchange differences arising from the translation of the financial statements of subsidiaries and associates.

Acquisition Reserve

This reserve records the difference between the consideration paid and the carrying value of the non-controlling interests acquired.

Cash Flow Hedge Reserve

This reserve records the portion of the gain or loss on a cash flow hedging instrument that is determined to be an effective hedge.

21 Financial instruments

The financial assets and liabilities are presented by class in the tables below at their carrying values. Where financial assets and liabilities are held at amortised cost, these generally approximate fair value. Refer to Note 22(d) for more information on the Group's fair value policies and methods.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

21 Financial instruments (continued)

At 30 September 2023	Amortised Cost $'000	FVTPL [(i)] $'000	Total $'000
Assets			
Cash and cash equivalents	227,278	–	227,278
Trade and other receivables	466,382	–	466,382
Derivative financial instruments	–	146,792	146,792
Total current and non-current financial assets	**693,660**	**146,792**	**840,452**
Liabilities			
Trade and other payables	203,946	–	203,946
Interest bearing loans and borrowings	521,338	–	521,338
Derivative financial instruments	–	100,969	100,969
Lease liabilities	307,986	–	307,986
Total current and non-current financial liabilities	**1,033,270**	**100,969**	**1,134,239**

At 30 September 2022	Amortised Cost $'000	FVTPL [(i)] $'000	Total $'000
Assets			
Cash and cash equivalents	391,384	–	391,384
Trade and other receivables	757,868	–	757,868
Derivative financial instruments	–	303,069	303,069
Total current and non-current financial assets	**1,149,252**	**303,069**	**1,452,321**
Liabilities			
Trade and other payables	257,269	–	257,269
Interest bearing loans and borrowings	759,274	–	759,274
Derivative financial instruments	–	301,421	301,421
Lease liabilities	319,290	–	319,290
Total current and non-current financial liabilities	**1,335,833**	**301,421**	**1,637,254**

(i) Fair value through profit or loss.

21 Financial instruments (continued)

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. No financial assets have been reclassified subsequent to their initial recognition.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - business model assessment

The Group makes assessments of the objectives of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and the information provided to management. These assessments consider:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - for example whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations of future sales activity.

Financial assets that are either held for trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.

Financial assets - assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (for example liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (for example non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

21 Financial instruments (continued)

Derecognition

The Group derecognises financial assets and liabilities when the contractual rights to the cash flows from the financial instrument are discharged, cancelled or expire.

Offsetting financial instruments

The Group presents its assets and liabilities on a gross basis. Derivative financial instruments entered into by the Group are subject to enforceable master netting arrangements such as International Swaps and Derivatives Associations ("ISDA") master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated. The termination is assessed and only a single net amount is payable in settlement of all transactions.

22 Financial risk management

Overview

The Group is exposed to a variety of financial risks arising from normal business activity, including market risks (relating to foreign currency rates, commodity prices and interest rates), credit risk and liquidity risk.

Risk management framework

The CBH Group's Board of Directors ("the Board") has overall responsibility for the establishment and oversight of its risk management framework. The Group has established several risk management committees to develop and monitor its risk management policies. These include the Audit and Risk Management Committee ("ARMC"), Executive Risk Committee and the Business Unit Risk Management Committees, as outlined below:

These committees report regularly to the Board on their activities, via the ARMC.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed and, if required, updated regularly to reflect changes in market conditions and the Group's activities.

The ARMC also oversees management monitoring compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARMC is assisted in its oversight role by internal audit and third party specialists. Both regular and ad hoc reviews of risk management controls and procedures are undertaken, the results of which are reported to the ARMC.

Notes to the consolidated financial statements

22 Financial risk management (continued)

(a) Market risk

Market risk arises from the uncertainty of market price movements and the resulting impact on business performance. The Group's business performance is exposed to movements in interest rates, foreign currency exchange rates and commodity prices. Accordingly, the Group has developed policies to manage the volatility of these inherent business exposures. Under these policies, the Group routinely uses derivative financial instruments to manage related risk exposures, most commonly foreign currency forward exchange contracts and options, forward rate agreements and commodity futures and options.

The Group uses Value at Risk ("VaR") techniques to measure and limit market risk. VaR is a risk measurement technique that estimates the maximum potential loss resulting from predicted price movements over a specified holding period and within a stipulated level of confidence.

The VaR methodology is a statistically defined, probability based approach that considers market volatilities and risk diversification, by taking into account offsetting positions and correlations between commodities and markets. As a result of this approach, risks can be measured consistently across markets and commodities and risk measures can be aggregated into a single risk value. The Group's VaR approach is based on Monte Carlo simulations over a five day holding period with a 99% confidence level using two years of weighted price data history.

VaR calculations should be considered in the context of their limitations. These include the use of historical data to estimate future events and the non-recognition of market illiquidity risks and tail risks. Recognising these limitations, the Group's VaR measures are supplemented by stress testing of both flat and basis price exposures and daily monitoring of positions against Board-mandated limits.

(i) Commodity price risk

Commodity price risk refers primarily to the Group's exposure to fluctuations in prices of grain commodities.

The Group's trading function trades grain-related financial and commodity instruments and physical grain. Grain commodity futures and options are used to manage price risk within Board-approved limits. The aggregate limit for all grains can only be modified by the Board. The trading function operates within a dynamic limit framework which adjusts quantitative flat price and basis spread limits over time by comparing the current level of flat prices and basis spreads to their historical ranges and averages. Under this framework, limits are lower when flat prices and basis spreads are high, and limits are higher when flat prices and basis spreads are low.

VaR at 30 September (pre-tax), was as follows:

	2023 $'000	**2022 $'000**
Undiversified VaR (i)	**(35,530)**	(62,680)
Diversified VaR (ii)	**(22,340)**	(40,580)

(i) Undiversified VaR is the result of simple addition of the calculated VaR figures for each individual commodity.

(ii) Diversified VaR further recognises the benefit of offsetting positions and correlations between different commodities and markets and therefore reflects a lower potential loss amount than undiversified VaR.

(ii) Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which operating and financing transactions are denominated and the respective functional currencies of Group companies. Foreign currency exposures originate in the normal course of business with the buying or selling of grain, or execution of derivatives on international commodity exchanges in currencies other than the Group's functional currency. Group policy requires that foreign currency risks are minimised to remain within Board-mandated limits. The Group manages its exposure to foreign currency risk through the use of forward exchange contracts and options.

Net foreign exchange exposure, which includes cash balances and loans and borrowings, is used in the calculation of the combined commodity price risk and foreign currency risk. Consequently, the VaR of commodity price risk in the table of Note 22(a)(i) includes all associated foreign currency risks.

As a result of investment in operations in Asia, the Group's statement of financial position can be affected by movements in the USD/AUD exchange rates as the investment in Asia has a functional currency of USD. The Group does not hedge this exposure. Refer to Note 12 - Investments in associates.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

22 Financial risk management (continued)

(a) Market risk (continued)

The group had the following financial instruments denominated in foreign currencies (at year end spot rates):

30 September 2023	USD in AUD equivalent $'000	CAD in AUD equivalent $'000	EUR in AUD equivalent $'000	JPY in AUD equivalent $'000	Other* in AUD equivalent $'000	Total AUD equivalent $'000
Financial assets						
Cash and cash equivalents	15,629	7,569	4,276	4,536	535	32,545
Trade and other receivables	225,724	18,054	30,646	1,785	16	276,225
Derivative financial assets	100,095	20,346	11,072	2,498	–	134,011
	341,448	**45,969**	**45,994**	**8,819**	**551**	**442,781**
Financial liabilities						
Derivative financial liabilities	46,581	8,330	3,623	2,293	–	60,827
Trade and other payables	18,933	15	269	727	381	20,325
Lease liabilities	–	–	–	84	95	179
	65,514	**8,345**	**3,892**	**3,104**	**476**	**81,331**
Net exposure	**275,934**	**37,624**	**42,102**	**5,715**	**75**	**361,450**

30 September 2022	USD in AUD equivalent $'000	CAD in AUD equivalent $'000	EUR in AUD equivalent $'000	JPY in AUD equivalent $'000	Other* in AUD equivalent $'000	Total AUD equivalent $'000
Financial assets						
Cash and cash equivalents	62,714	4,764	13,138	9,630	476	90,722
Trade and other receivables	334,458	25,722	18,963	25,788	15	404,946
Derivative financial assets	143,648	7,513	49,492	10,275	–	210,928
	540,820	**37,999**	**81,593**	**45,693**	**491**	**706,596**
Financial liabilities						
Derivative financial liabilities	228,914	12,743	11,838	2,659	–	256,154
Trade and other payables	59,636	18	734	2,564	151	63,103
Lease liabilities	–	–	–	161	170	331
	288,550	**12,761**	**12,572**	**5,384**	**321**	**319,588**
Net exposure	**252,270**	**25,238**	**69,021**	**40,309**	**170**	**387,008**

* Other includes exposure to CHF, CNY, GBP, HKD, NZD and in 2023, SGD.

Spot rates on 30 September 2023:
USD 0.6435, CAD 0.8737, EUR 0.6086, JPY 96.1538, CHF 0.5890, CNY 4.6962, GBP 0.5275, HKD 5.0391, NZD 1.0729, SGD 0.8792

Spot rates on 30 September 2022:
USD 0.6400, CAD 0.8851, EUR 0.6530, JPY 92.6784, CHF 0.6318, CNY 4.5546, GBP 0.5730, HKD 5.0244, NZD 1.1431

22 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument or cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Group sources external funds to support its grain accumulation and trading operations and is exposed to interest rate fluctuations predominantly from liabilities bearing variable interest rates.

The Group held the following financial assets and liabilities exposed to variable interest rate risk:

	2023 $'000	**2022 $'000**
Financial assets		
Cash and cash equivalents	**227,278**	391,384
Term deposits	**4,675**	34,799
Loans to growers	**106,426**	215,731
Margin deposits	**62,821**	103,152
Other loans	**300**	-
	401,500	745,066
Financial liabilities		
Interest bearing loans and borrowings	**(521,338)**	(759,274)
Loans from growers	**(10,493)**	-
	(531,831)	(759,274)
Net exposure	**(130,331)**	(14,208)

The Group's policy is to manage exposure to adverse movements in interest rates through one of the following:

- variation of the physical terms; or
- structure of the various portfolios; or
- use of derivative financial instruments.

Given the above financial assets and liabilities are exposed to variable interest rate risk, an increase of 100 basis points in underlying interest rates would reduce profit before tax for the year by $1,303,000 (2022: reduce $142,000). A decrease of 100 basis points in underlying interest rates would increase profit before tax for the year by $1,303,000 (2022: increase $142,000). This analysis assumes all other variables remain constant.

Lease liabilities (see Note 10) are fixed-rate instruments. The Group does not account for any fixed-rate financial assets or financial liabilities at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(b) Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform or fail to pay amounts due, causing financial loss to the Group. It can arise:

- principally, from credit exposures to customers relating to open contracts and outstanding receivables; or
- from cash and cash equivalents, derivative financial instruments and deposits held with financial institutions.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

22 Financial risk management (continued)

(b) Credit risk (continued)

The Group has a Board-approved credit policy designed to ensure that consistent processes are present throughout the Group to measure and control credit risk. Under the policy, customers are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. The Group also monitors and reports sovereign risk associated with its customers, counterparties and financial institutions. Risk limits are set for individual customers in accordance with parameters set out in the credit policy. Actual counterparty credit exposures are routinely monitored against risk limits with any breaches requiring approval from the appropriate level of management. Counterparty risk limits are reviewed regularly and updated when appropriate.

The Group may require collateral to be provided by counterparties. The forms of collateral typically accepted include cash downpayment, letter of credit, bank guarantee and retention of title to goods, or any combination thereof.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and the geographical location in which the customers operate.

The carrying amount of financial assets represents the maximum credit exposure.

The credit risk analyses in this section excludes GST receivable of $19,689,000 (2022: $18,608,000) which is part of other receivables (Note 13).

Below is an analysis of credit risk exposure net of credit loss provisions by counterparty type.

	2023 $'000	2022 $'000
Grain Storage, Handling and Freight: Growers	**16,223**	4,857
Grain Storage, Handing and Freight: Non-growers	**35,099**	61,079
Marketing and Trading: Growers	**105,771**	215,231
Marketing and Trading: Non-growers	**238,120**	402,590
Grain Processing: Non-growers	**21,294**	23,915
Associate company - Interflour Group Pte Limited	**41,909**	40,364
Other: Growers	**5,697**	9,570
Other: Non-growers	**2,269**	262
	466,382	757,868

Credit loss assessment

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including, but not limited to, external ratings, audited financial statements, management accounts and available press information about customers) and applying experienced credit judgements. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies.

Exposures with similar credit risk are grouped and assigned a credit loss based on the groups' credit risk rating. The assignment of credit loss is based on a ratings agency's annual study which compares credit ratings to default rates. One-year default rates are used for current receivables and two-year to five-year default rates are used for non-current receivables.

Notes to the consolidated financial statements

22 Financial risk management (continued)

(b) Credit risk (continued)

The following table shows the exposures to credit risk and credit loss by credit rating.

30 September 2023	Weighted average loss rate %	Gross carrying amount $'000	Credit loss $'000	Net carrying amount $'000
Assigned credit rating				
A+	0.02	62,821	(16)	62,805
A	0.01	9,103	(1)	9,102
A-	0.02	5,368	(1)	5,367
BBB+	0.01	51,817	(5)	51,812
BBB	0.04	10,864	(4)	10,860
B	1.36	329,267	(4,486)	324,781
CCC/C	16.07	1,972	(317)	1,655
Total	**1.02**	**471,212**	**(4,830)**	**466,382**

30 September 2022	Weighted Average Loss Rate %	Gross Carrying Amount $'000	Credit loss $'000	Net Carrying Amount $'000
Assigned credit rating				
AA-	-	206	-	206
A	-	92,127	(1)	92,126
A-	0.01	148,056	(22)	148,034
BBB+	0.02	2,806	(1)	2,805
BBB	0.05	5,572	(3)	5,569
B	0.83	513,398	(4,270)	509,128
CCC/C	100.00	21	(21)	-
Total	**0.57**	**762,186**	**(4,318)**	**757,868**

22 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, and without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to ensure that adequate liquid assets and funding sources are available at all times to meet both the short and long term commitments of the Group. The Group's liquidity is managed centrally with subsidiaries forecasting their cash requirements to the central treasury function. Unless restricted by local regulations or bank covenants, subsidiaries pool their cash surpluses to central treasury, which arranges to fund other subsidiaries, invest net surpluses in the market, or arrange external borrowings, as appropriate.

Maturities of financial liabilities

The table below reflects the contractual maturities of the Group's financial liabilities. For derivative financial instruments that are settled on a net basis, the market value of the net position is presented, whereas for other obligations the undiscounted cash flows are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on prevailing conditions at year end.

Contractual maturities of financial liabilities

At 30 September 2023	**Carrying amount $'000**	**Total contractual cash flows $'000**	**Less than 6 months $'000**	**6 - 12 months $'000**	**1 - 5 years $'000**	**Over 5 years $'000**
Financial liabilities						
Interest bearing loans and borrowings	521,338	522,031	522,031	-	-	-
Trade and other payables	203,946	204,143	203,714	-	429	-
Lease liabilities	307,986	365,571	35,821	35,238	202,677	91,835
Total non-derivatives	**1,033,270**	**1,091,745**	**761,566**	**35,238**	**203,106**	**91,835**
Derivative financial liabilities						
(inflow)	(1,879,229)	(1,879,229)	(1,583,298)	(105,049)	(190,882)	-
outflow	1,980,198	1,980,198	1,673,644	114,062	192,492	-
Net derivative financial liabilities	**100,969**	**100,969**	**90,346**	**9,013**	**1,610**	**-**
	1,134,239	**1,192,714**	**851,912**	**44,251**	**204,716**	**91,835**

Notes to the consolidated financial statements

22 Financial risk management (continued)

(c) Liquidity risk (continued)

At 30 September 2022	Carrying amount $'000	Total contractual cash flows $'000	Less than 6 months $'000	6 - 12 months $'000	1 - 5 years $'000	Over 5 years $'000
Financial liabilities						
Interest bearing loans and borrowings	759,274	762,532	721,009	619	40,904	-
Trade and other payables	257,269	257,269	256,855	-	414	-
Lease liabilities	319,290	381,095	34,365	31,005	191,882	123,843
Total non-derivatives	**1,335,833**	**1,400,896**	**1,012,229**	**31,624**	**233,200**	**123,843**
Derivative financial liabilities						
(inflow)	(1,231,228)	(1,231,228)	(1,212,295)	(8,240)	(10,693)	-
outflow	1,532,649	1,532,649	1,507,540	10,236	14,873	-
Net derivative financial liabilities	**301,421**	**301,421**	**295,245**	**1,996**	**4,180**	**-**
	1,637,254	**1,702,317**	**1,307,474**	**33,620**	**237,380**	**123,843**

(d) Fair value measurements

The Group uses various methods in estimating the fair value of a financial instrument and non-financial assets (traded grain inventories) carried at fair value. These methods are:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value methods, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include forward sale and purchase contracts and foreign exchange contracts not traded on a recognised exchange.

Derivative financial instruments

The Group primarily uses the following derivatives financial instruments to manage market risk in its grain trading activities:

- Forward foreign currency exchange contracts, swaps and options;
- Commodity futures, swaps and options; and
- Forward commodity sale and purchase contracts.

These contracts are held in the currencies in which the Group has exposure (refer to Note 22(a)(ii)) and range in maturity from one to thirty-two months. Movements in the fair value of these derivatives are recognised in the profit or loss. The net fair value at 30 September 2023 was an unrealised asset of $45,823,000 (2022: $1,648,000 unrealised asset). The assessed value of these financial instruments at any given point in time will, in times of volatile market conditions, show substantial variation over the short term.

Derivative financial instruments price risk is included in the Group's VaR calculations. Refer Note 22(a) for more information.

Recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value at the date of entry into the contract and then subsequently measured at fair value through profit or loss.

Significant accounting estimates and assumptions

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and forward purchases and sales) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the reporting date. The fair value at reporting date is subject to change post reporting date and the increase/decrease can be significant when there is increased market volatility. Physical positions comprising some inventories, forward sales and forward purchases cannot be directly referenced to appropriate exchange quoted prices. Therefore, other techniques such as obtaining assessments from independent commodity brokers, are used to determine fair value.

Notes to the consolidated financial statements

22 Financial risk management (continued)

(d) Fair value measurements (continued)

The valuation techniques adopted for traded grain inventories are further discussed in Note 14.

The fair value of forward foreign exchange contracts and swaps is determined using forward foreign exchange market rates at the reporting date for contracts with similar maturity profiles. The fair value assessments include consideration of inputs such as liquidity risk, credit risk and market volatility. Any change in the assumptions for these factors may affect the reported fair value of financial instruments.

The fair value of derivative financial instruments is summarised in the table below.

30 September 2023	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Current Assets				
Forward foreign currency exchange contracts, swaps and options	–	23,943	–	23,943
Commodity futures and options	23,895	–	–	23,895
Forward commodity sale and purchase contracts	–	89,031	2,689	91,720
	23,895	**112,974**	**2,689**	**139,558**
Non-current Assets				
Forward foreign currency exchange contracts, swaps and options	–	5,821	–	5,821
Commodity futures and options	493	–	–	493
Forward commodity sale and purchase contracts	–	920	–	920
	493	**6,741**	**–**	**7,234**
Current Liabilities				
Forward foreign currency exchange contracts, swaps and options	–	52,226	–	52,226
Commodity futures and options	381	–	–	381
Forward commodity sale and purchase contracts	–	39,613	7,139	46,752
	381	91,839	7,139	99,359
Non-current Liabilities				
Forward foreign currency exchange contracts, swaps and options	–	190	–	190
Commodity futures and options	772	–	–	772
Forward commodity sale and purchase contracts	–	–	648	648
	772	190	648	1,610

22 Financial risk management (continued)

(d) Fair value measurements (continued)

30 September 2022	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Current Assets				
Forward foreign currency exchange contracts, swaps and options	-	43,707	-	43,707
Commodity futures and options	47,273	-	-	47,273
Forward commodity sale and purchase contracts	-	193,068	7,187	200,255
	47,273	236,775	7,187	291,235
Non-current Assets				
Forward foreign currency exchange contracts, swaps and options	-	126	-	126
Commodity futures and options	8,052	-	-	8,052
Forward commodity sale and purchase contracts	-	3,656	-	3,656
	8,052	3,782	-	11,834
Current Liabilities				
Forward foreign currency exchange contracts, swaps and options	-	199,346	-	199,346
Commodity futures and options	26,355	-	-	26,355
Forward commodity sale and purchase contracts	-	68,095	3,445	71,540
	26,355	267,441	3,445	297,241
Non-current Liabilities				
Forward foreign currency exchange contracts, swaps and options	-	3,478	-	3,478
Commodity futures and options	17	-	-	17
Forward commodity sale and purchase contracts	-	685	-	685
	17	4,163	-	4,180

The following table shows the net changes in fair value of Level 3 forward commodity sale and purchase contract assets and liabilities:

	Total $'000
1 October 2022	3,742
Net movement taken to profit or loss	(8,840)
30 September 2023	**(5,098)**

A change in the Level 3 input price for inventories and forward sale and purchase contracts of 10% would have a corresponding proportionate impact on both inventory and the net financial asset or liability carrying values, and be recognised in profit or loss. There were no transfers between Level 1, 2 and 3 during the year.

23 Contingent assets and liabilities

Co-operative Bulk Handling Limited (parent entity) has provided guarantees relating to loan facilities with certain controlled entities (Note 24) and has no contingent assets.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

Other information

This section contains information that is not directly related to specific line items in the financial statements.

24 Parent entity disclosures

(a) Statement of profit or loss and other comprehensive income - Parent

	2023 $'000	**2022 $'000**
Revenue	**1,259,414**	934,809
Other income [(i)]	**96,182**	173,628
Employee benefits expense	**(253,411)**	(214,882)
Depreciation and amortisation	**(238,444)**	(205,267)
Storage, handling and freight expenses	**(503,745)**	(402,748)
Insurance	**(17,843)**	(12,928)
Other expenses	**(76,258)**	(48,174)
Interest expense	**(11,644)**	(8,282)
Profit/(loss) before and after income tax	**254,251**	216,156
Other comprehensive income **Items that may be reclassified subsequently to the profit and loss**		
Net gain on cashflow hedge reserve [(ii)]	**8,795**	-
Other comprehensive income for the year, net of tax	**8,795**	-
Total comprehensive income/(expense) for the year	**263,046**	216,156

(i) Included in the Parent entity other income is $83.0 million in franking credit refunds (2022: $nil) in relation to fully franked dividends from subsidiaries. Franking credits are recognised on the date on which right to receive payment is established.

Also included in the other income is a fully franked dividend of $1.5 million (2022: $169 million) received from CBH's subsidiaries. There is also a foreign dividend of $2.0 million (2022: $nil) received from CBH's subsidiaries.

(ii) During the year, CBH entered into USD/AUD forward exchange contracts relating to the acquisition of new locomotives and wagons. The cashflow hedge reserve recognises the cumulative gains or losses recognised at the reporting date. The cumulative gains or losses will be reclassed from other comprehensive income to the hedged item, upon completion.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(b) Statement of financial position - Parent

	2023 $'000	**2022 $'000**
ASSETS		
Current assets		
Cash and cash equivalents	**172,907**	270,668
Trade and other receivables	**56,758**	61,538
Derivative financial instruments	**4,546**	-
Inventories	**33,970**	28,040
Loans to controlled entities	**61,842**	94,311
Prepayments	**8,446**	5,187
Total current assets	**338,469**	459,744
Non-current assets		
Trade and other receivables	**41,909**	40,572
Derivative financial instruments	**5,804**	-
Investments in associates	**136,935**	136,935
Other financial assets	**139,496**	139,496
Property, plant and equipment	**1,835,967**	1,505,576
Intangible assets and goodwill	**31,076**	27,444
Right-of-use assets	**290,540**	305,099
Total non-current assets	**2,481,727**	2,155,122
Total assets	**2,820,196**	2,614,866
LIABILITIES		
Current liabilities		
Trade and other payables	**141,391**	179,042
Lease liabilities	**61,269**	53,428
Loans from controlled entities	**15,730**	13,732
Provisions	**37,952**	33,552
Other liabilities	**112,070**	79,470
Total current liabilities	**368,412**	359,224
Non-current liabilities		
Provisions	**43,362**	49,942
Interest bearing loans and borrowings	**-**	40,000
Lease liabilities	**241,612**	261,936
Total non-current liabilities	**284,974**	351,878
Total liabilities	**653,386**	711,102
Net assets	**2,166,810**	1,903,764
Equity		
Contributed equity	**4**	4
Reserves	**2,166,806**	1,903,760
Total equity	**2,166,810**	1,903,764

30 SEPTEMBER 2023

Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(c) Statement of cash flows - Parent

	2023 $'000	**2022 $'000**
Cash flows from operating activities		
Receipts from customers	**1,374,421**	1,051,478
Payments to suppliers and employees	**(989,330)**	(695,115)
	385,091	356,363
Interest received	**13,100**	1,454
Interest and other costs of finance paid	**(10,297)**	(7,734)
Net operating cash flows	**387,894**	350,083
Cash flows from investing activities		
Payments for property, plant and equipment	**(532,536)**	(328,512)
Receipt of asset-related government grants	**4,014**	-
Proceeds from sale of property, plant and equipment	**1,017**	256
Payments for intangible assets	**(11,793)**	(8,191)
Term deposits (net)	**30,111**	(10,139)
Loans (to)/ from related parties	**33,535**	(31,552)
Distributions from subsidiaries and associates	**3,500**	169,750
Franking credit refund	**83,774**	-
Net investing cash flows	**(388,378)**	(208,388)
Cash flows from financing activities		
Proceeds from borrowings	**-**	40,000
Repayment of borrowings	**(40,000)**	-
Repayment of lease liabilities	**(57,277)**	(36,341)
Net cash flows from financing activities	**(97,277)**	3,659
Net (decrease)/increase in cash and cash equivalents held	**(97,761)**	145,354
Cash and cash equivalents at the beginning of the financial year	**270,668**	125,314
Cash and cash equivalents at the end of the financial year	**172,907**	270,668

(d) Financial guarantees - Parent

The parent has entered into a Deed of Cross Guarantee ("the Deed") with the effect that it guarantees debts in respect of certain subsidiaries. Further details of the Deed and the subsidiaries subject to the Deed are disclosed in Note 25. The parent has issued guarantees in relation to loan facilities of its controlled entities.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(e) Event subsequent to balance date

CBH Grain Pty Ltd a subsidiary of Co-operative Bulk Handling Ltd (the parent), declared a fully franked dividend of $170,000,000 on 4 October 2023. The dividend was subsequently paid, and the parent has lodged a claim with the Australian Tax Office for a refund of $73,000,000 in franking credits.

(f) Capital commitments

Commitments for the acquisition of property, plant and equipment contracted as at the reporting date but not recognised as liabilities payable:

	2023 $'000	**2022 $'000**
Within one year	**131,576**	33,685
Later than one year but not later than five years	**203,364**	-
	334,940	33,685

25 Deed of cross guarantee

Co-operative Bulk Handling Limited, Blue Lake Milling Pty Ltd, CBH Pty Ltd, CBH Group Holdings Pty Ltd and CBH (WA) Pty Ltd are parties to the Deed under which each entity guarantees the debts of the others. By entering into the Deed, the wholly-owned entities (Blue Lake Milling Pty Ltd, CBH Pty Ltd, CBH Group Holdings Pty Ltd and CBH (WA) Pty Ltd) have been relieved by the Australian Securities and Investments Commission ("ASIC") from requirements for preparation, audit and lodgement of financial reports and directors' reports under ASIC Instrument 16-0845 as varied by ASIC Instrument 19-0960 ("ASIC Order").

Consolidated statements

The above entities represent a 'closed group' for the purposes of the ASIC Order, and as there are no other parties to the Deed that are controlled by CBH, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 September 2023 of the closed group.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

25 Deed of cross guarantee (continued)

Consolidated statements (continued)

	2023 $'000	2022 $'000
Consolidated statement of profit or loss and other comprehensive income		
Revenue	**1,560,632**	1,260,126
Other income (i)	**87,506**	183,901
Raw materials and consumables used	**(228,561)**	(270,551)
Employee benefits expense	**(271,105)**	(231,266)
Depreciation and amortisation expense	**(244,383)**	(211,493)
Storage, handling and freight expenses	**(527,455)**	(434,219)
Marketing and trading expenses	**(3,838)**	(6,080)
Insurance	**(17,964)**	(13,021)
Other expenses	**(79,413)**	(50,433)
Interest expense	**(11,829)**	(8,376)
Profit/(loss) before income tax	**263,590**	218,588
Income tax expense	**(2,827)**	(753)
Profit/(loss) for the year	**260,763**	217,835
Other comprehensive income		
Items that may be reclassified subsequently to the profit or loss		
Net gain on cash flow hedge	**8,795**	-
Total comprehensive income/(expense) for the year	**269,558**	217,835
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	**14,486**	12,806
Profit/(loss) for the period	**260,763**	217,835
Transfer to reserves	**(254,250)**	(216,155)
Retained earnings at the end of the financial year	**20,999**	14,486

(i) Included in the Parent entity other income is $83.0 million in franking credit refunds (2022: $nil) in relation to fully franked dividends from subsidiaries. Franking credits are recognised on the date on which right to receive payment is established.

Also included in the other income is a fully franked dividend of $1.5 million (2022: $169 million) received from CBH's subsidiaries. There is also a foreign dividend of $2.0 million (2022: $nil) received from CBH's subsidiaries.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

25 Deed of cross guarantee (continued)

Consolidated statements (continued)

Set out below is a consolidated statement of financial position as at 30 September 2023 of the closed group.

	2023 $'000	**2022 $'000**
Current assets		
Cash and cash equivalents	**175,742**	274,108
Income tax receivable	**-**	750
Trade receivables	**101,447**	114,984
Inventories	**59,246**	64,821
Derivative financial instruments	**4,546**	-
Prepayments	**9,214**	5,553
Total current assets	**350,195**	460,216
Non-current assets		
Trade and other receivables	**41,909**	40,572
Investments in associates	**136,935**	136,935
Investment in controlled entities	**100,772**	100,772
Property, plant and equipment	**1,873,129**	1,539,921
Right-of-use assets	**295,282**	308,628
Derivative financial instruments	**5,804**	-
Intangible assets and goodwill	**50,742**	51,310
Total non-current assets	**2,504,573**	2,178,138
Total assets	**2,854,768**	2,638,354
Current liabilities		
Trade and other payables	**274,303**	275,395
Interest bearing loans and borrowings	**-**	40,000
Lease liabilities	**62,975**	54,717
Income tax payable	**1,631**	-
Provisions	**39,832**	35,431
Total current liabilities	**378,741**	405,543
Non-current liabilities		
Provisions	**43,362**	49,941
Deferred tax liabilities	**105**	402
Lease liabilities	**244,750**	264,218
Total non-current liabilities	**288,217**	314,561
Total liabilities	**666,958**	720,104
Net assets	**2,187,810**	1,918,250
Equity		
Contributed equity	**4**	4
Reserves	**2,166,805**	1,903,762
Retained earnings	**21,001**	14,484
Total equity	**2,187,810**	1,918,250

26 Key management personnel compensation

	2023 $	2022 $
Short-term benefits [i]	**8,314,324**	8,429,545
Post-employment benefits [ii]	**406,473**	334,912
Long-term benefits [iii]	**517,590**	699,886
Termination benefits [iv]	**131,552**	176,623
	9,369,939	9,640,966

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

Key management personnel include directors and members of the Executive Committee, including those in an acting capacity.

(i) Short-term benefits include director fees, wages, salaries, annual leave provided and non-monetary benefits for current employees.

(ii) Post-employment benefits include superannuation benefits paid for directors and current employees.

(iii) Long-term benefits include long term incentives and retention payments, long service leave and sick leave provided for current employees.

(iv) Termination benefits include contractual entitlements on termination.

27 Related party transactions

(a) Parent and ultimate controlling party

The ultimate parent entity in the wholly owned group is Co-operative Bulk Handling Ltd ("CBH").

(b) Transactions with key management personnel

(i) Directors fees

Directors fees paid or payable by CBH are disclosed in Note 26. In addition, the following directors of the parent entity received payments for their roles as directors of Interflour Group Pte Ltd ("IFG"), an associated company, for the year.

	2023 $	2022 $
Mr A J Mulgrew (resigned 17 February 2023)	**9,132**	24,310
Mr D A Lock	**23,980**	24,310
Mr G R Rowe (appointed 17 February 2023)	**14,782**	-

Total aggregate number of CBH shares held by directors and director-related entities is 10 (2022: 10).

Notes to the consolidated financial statements

27 Related party transactions (continued)

(ii) Related party transactions with directors on normal commercial terms

Certain directors had dealings, either in their own name or through director-related entities, with CBH and its controlled entities under commercial terms no more favourable than those available to other grain growers and shareholders.

	2023 $	2022 $
N A M Browning, M L Caughey, J D O'Neil, G R Rowe, J N Seaby, K M Seymour, S R Stead, R P Taylor, B D West and H Woodhams transacted with the Group during the financial year as follows:		
Grain sales to the Group	**17,384,902**	21,577,000
Freight and receival fees charged by the Group	**3,264,787**	2,805,456
Fertiliser purchases from the Group	**3,768,651**	3,762,217

(iii) Unsecured balances outstanding from/(to) Directors

	2023 $	2022 $
Loans to Growers (Refer to Note 13)	**415,444**	-

(c) Other related party transactions

(i) Transactions with associates in the ordinary course of business on normal commercial terms

	2023 $	2022 $
Sales of grain to IFG and its controlled entities	**228,430,806**	181,214,453
(Payments for)/Receipts from IFG and its controlled entities for grain shipping related charges	**(236,318)**	136,402

(ii) Receivables from IFG and its controlled entities

	2023 $	2022 $
Unsecured trade receivable amount under normal commercial terms	**-**	215,897
Unsecured interest-free USD-denominated loan (Refer to Note 12)	**44,145,119**	43,518,091

A credit loss provision has been recognised in the statement of profit or loss and other comprehensive income in respect of amounts owing from related parties. Settlement occurs in cash.

30 SEPTEMBER 2023

Notes to the consolidated financial statements

28 Auditor's remuneration

The auditor of the Group is KPMG. During the year fees were paid or payable for services provided by the Group's auditors and related overseas offices.

	2023 $	2022 $
Audit and review services		
Auditors of the Group - KPMG		
KPMG Australia - Group	**310,093**	272,783
KPMG Australia - controlled entities	**259,456**	229,106
Other KPMG firms - controlled entities	**79,657**	62,579
	649,206	564,468
Assurance services Auditors of the Group - KPMG		
Regulatory assurance services	**11,874**	10,254
Other assurance services	**39,188**	-
	51,062	10,254
Other services Auditors of the Group - KPMG		
Non-audit services	**-**	3,700
	-	3,700

29 Changes in accounting policies

(a) New and amended accounting standards and interpretations adopted from 1 October 2022

In the current year, the Group has applied amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for accounting periods that begin on or after 1 January 2022. *AASB 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Costs of Fulfilling a Contract)* and a number of other new standards that are effective from 1 January 2022 but they do not have a material effect on the Group's financial statements.

Notes to the consolidated financial statements

29 Changes in accounting policies (continued)

(b) New and amended accounting standards and interpretations issued but not yet effective

The following new and amended accounting standards and interpretations issued but not yet effective are relevant to current operations. They are available for early adoption but have not been applied by the Group in this financial report.

Reference	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
The effects of these standards and interpretations are not expected to be material:		
AASB 2021-2 Amendments to Australian Accounting Standards - Definition of Accounting Estimates	**1 January 2023**	**30 September 2024**
The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.		
AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies	**1 January 2023**	**30 September 2024**
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirements for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adds guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.		
AASB 17 Insurance Contracts	**1 January 2023**	**30 September 2024**
AASB 17 supersedes AASB 4 Insurance Contracts. The classification of insurance contracts is similar to AASB 4 however unbundling rule changes may mean some contract components now need to be measured under AASB 17.		
AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information	**1 January 2023**	**30 September 2024**
The amendments add a new transition option to AASB 17 to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of AASB 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with AASB 9 Financial Instruments.		
AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction	**1 January 2023**	**30 September 2024**
The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.		
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current	**1 January 2024**	**30 September 2025**
This amendment to AASB101 Presentation of Financial Statements clarifies the requirements for classifying liabilities as current or non-current.		
AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants	**1 January 2024**	**30 September 2025**
This amendments require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.		
AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	**1 January 2025**	**30 September 2026**
The amendments require a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not) and partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.		

Notes to the consolidated financial statements

30 Commitments

(a) Non-cancellable operating lease receivables

The Group has sub-leased some of its property to an external party.

Future minimum rentals receivable under non-cancellable operating leases as at the financial year end are as follows:

	2023 $'000	2022 $'000
Within one year	**3,147**	2,793
Later than one year but not later than five years	**1,962**	1,583
	5,109	4,376

(b) Capital commitments

Commitments for the acquisition of property, plant and equipment and also intangible assets contracted as at the reporting date but not recognised as liabilities payable:

	2023 $'000	2022 $'000
Within one year	**131,668**	33,697
Later than one year but not later than five years	**203,364**	-
	335,032	33,697

Included in the above is the acquisition of additional locomotives and wagons to support CBH's "Path to 2033" strategy, which aims to lift our monthly export capacity to 3 million tonnes by 2033 or sooner.

31 Events subsequent to balance date

Subsequent to 30 September 2023, CBH Grain Pty Ltd negotiated the following facilities with various banks for the acquisition of grain over the 2023/2024 season:

- Syndicated debt of $850,000,000;
- Banking facilities of $1,150,000,000; and
- Trade facilities of $500,000,000.

The facilities have been executed and are on similar terms and conditions to prior seasons, refer to Note 20(d). The lenders are expected to undertake annual review which include (but not limited to) an assessment of:

- The financial performance of the Group, ensuring that the financial ratios and conditions are met throughout the term of the loan facilities
- Compliance over negative pledge and loan covenants

On the 4th of October 2023, CBH Grain Pty Ltd declared a fully franked dividend of $170,000,000 payable to its parent, Co-operative Bulk Handling Ltd, for the purposes of network investment. The dividend was subsequently paid, and the parent has lodged a claim with the Australian Tax Office for a refund of $73,000,000 in franking credits, which will be directed towards network investment.

Other than the matters disclosed above, there are no other subsequent events which require disclosure.

30 SEPTEMBER 2023

Directors' declaration

1. In the Directors' opinion:

(a) the consolidated consolidated financial statements and notes that are set out on pages 9 to 75 are in accordance with the ***Co-operatives Act 2009 and the Australian Charities and Not for profits Commission Act 2012, including***:

   (i) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its performance for the year ended on that date, and

   (ii) complying with Australian Accounting Standards; and

(b) there are reasonable grounds to believe that Co-operative Bulk Handling Ltd will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Co-operative and the group entities identified in Note 25 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Co-operative and those group entities pursuant to ASIC Instrument 16-0845 as varied by ASIC Instrument 19-0960.

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

Simon Stead

S R Stead
Director

Independent Auditor's Report

To the shareholders of CBH Grain Pty Ltd

Opinions

We have audited the consolidated ***Financial Report*** of CBH Grain Pty Ltd and its controlled entities (the Group Financial Report). We have also audited the Financial Report of CBH Grain Pty Ltd (the Company Financial Report).

In our opinion, the accompanying Group Financial Report and the Company Financial Report of CBH Grain Pty Ltd are in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** and of the ***Company's*** financial position as at 30 September 2023 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective ***Financial Reports*** of the ***Group*** and the ***Company*** comprise:

- Statements of financial position as at 30 September 2023;
- Statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of CBH Grain Pty Ltd (the ***Company***) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinions

We conducted our audits in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Group and Company in accordance with 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 Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in CBH Grain Pty Ltd's annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

KPMG

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Group Financial Report and the Company Financial Report

The Directors are responsible for:

- Preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- Implementing necessary internal control to enable the preparation of Financial Reports that give a true and fair view and are free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- To obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinions.

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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Jane Bailey

KPMG

Jane Bailey
Partner
Perth
6 December 2023

Appendix – Sustainability

Sustainability metrics

PILLAR	METRIC	UNIT OF MEASUREMENT	FY21	FY22	FY23
Markets	Sales of sustainably certified grain (of total)	Percentage of total	15%	18%	25%
	Grower Load Sample collection rate for Chemical Residue Traceability	Percentage of total loads	30%	42%	46%
	Certifications (ISO9001, 14001, HACCP, ISCC EU/PLUS, FEMAS, NATA and Halal)	Compliance	100%	100%	100%
Communities	Community Investment Fund	$	$1.6m	$1.6m	$1.6m
	Number of local vendors	Percentage of total	28%	31%	31%
People	All Injury Frequency Rate (AIFR)*	#	7.3	5.8	6.0
	Gender Diversity	%	24%	27%	28%
Governance	Board to monitor sustainability through revised Health, Safety and Sustainability Committee			Commenced	
Environmental	Scope 1 & 2 emissions intensity	Kg CO2-e / tonne received	3.7kg	3.1kg	2.7kg
	50% reduction of Scope 1 & 2 emissions by 2030 based on 2021 baseline year*	CO2e (scope 1 & 2)	55,372t	66,163t	62,040t
	Site to Customer Emissions Intensity	Kg CO2-e / tonne	63.2kg	64.3kg	61.7kg
	Net-zero emissions of Scope 1, 2 and select scope 3 (trucks, rail and shipping) by 2050*	CO2e (scope 1 & 2)	566,113t	617,832t	655,302t

* These metrics have had limited assurance provided by KPMG

CBH disclosed carbon emissions relate to the period 1 July 2022 to 30 June 2023 to align to The National Greenhouse and Energy Reporting Act 2007.

Climate Risks and Opportunities

RISK	DESCRIPTION	IMPACT TO THE BUSINESS	RISK MITIGATION AND OPPORTUNITIES
Market Access (transition)	Market access restrictions driven by climate related tariff and non-tariff measures	Marketing & Trading is unable to find alternative export markets for WA growers	- Monitor Maximum Residue Limits (MRL) and understand impacts to supply chain - Engage key customers and government counterparts on trade - Maintain strong and effective food safety protocols in CBH - New and existing market development and diversification
Regulatory and Certifications (transition)	Changes to the Australian regulatory environment or certifications held by CBH (either on farm or across the supply chain)	- The potential to increase costs or reduce production (i.e. carbon tax levied across supply chain) - Impacts on market access	- Maintain ongoing dialogue with regulators - Maintain stakeholder relationships - Ongoing engagement with growers and industry on impact of regulations - Develop public and media advocacy
Climate change (physical)	Climate change driving changing temperature and rainfall patterns across the WA wheatbelt	- WA production volatility to be impacted by climate change	- Continue to conduct scenario modelling and review outcomes - Change in the WA crop volume captured within the CBH network planning process
Alternative land uses (transition)	Continued focus on carbon emissions and push to 'carbon neutrality' is raising interest in carbon offsetting via reforestation of crop land	- The rise of the Australian Carbon Credit market may prove a risk to WA grain production.	- Monitor regional areas for significant switch - Review economics of Australian Carbon Credit Unit ("ACCU") farming to understand areas most at risk
Access to funding and insurance (transition)	CBH access to funding and insurance is restricted	- Increased cost or limited access to funding - Increased insurance premiums	- Ongoing dialogue with banks - Robust insurance procurement practices

OPPORTUNITY	DESCRIPTION	IMPACT TO THE BUSINESS	OPPORTUNITY CAPTURE
Developing new products and services	To meet the rising interest and demand for low carbon or carbon neutral grain, new products and ways of measuring and providing assurance to customers may be required	Increased customer alignment of supply chain decarbonisation objectives, resulting in increase in customer value proposition and loyalty	- Continue to monitor the product requirement with customers meet market need and ensure access - Work with stakeholders to gain alignment on measurement methodology
Access to new markets	A strong climate/ carbon reduction focus will provide opportunities for WA grain to access markets, or maintain access to existing markets, where there is a regulatory or commercial requirement for sustainable/ low carbon or carbon neutral grain	Preferential market access and/or premium pricing ensuring long-term value for WA grain growers	- Ensuring the supply chain emissions are measurable and mitigated to the extent commercially viable - Engagement with customers and governments to understand potential future market access requirements - Working with growers and supply chain partners to meet those requirements
Renewable energy (biogas and solar)	CBH has an opportunity to develop behind the meter energy production by utilising waste streams such as dust and No Commercial Value (NCV) grain as feedstock into bioenergy facilities	- Lower carbon emissions - Energy price certainty - Building resilience along our supply chain and reducing waste	- Continue to investigate the delivery model in collaboration and partnership with energy providers

Taskforce for Climate-related Financial Disclosure

GOVERNANCE	SECTION REFERENCE
Describe the board's oversight of climate-related risks and opportunities	Corporate Governance
Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability

STRATEGY	SECTION REFERENCE
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Sustainability Appendix
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Sustainability Appendix
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2c or lower scenario	Sustainability

RISK MANAGEMENT	SECTION REFERENCE
Describe the organisation's processes for identifying and assessing climate-related risks.	Sustainability
Describe the organisation's processes for managing climate-related risks.	Sustainability
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Sustainability

METRICS AND TARGETS	SECTION REFERENCE
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Metrics Appendix
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Sustainability
Describe the targets used by organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability

Global Reporting Initiative Index

SECTION REFERENCE	DISCLOSURE	DESCRIPTION
Organisational profile		
About Us	Disclosure 102-1	Name of the organisation
About Us	Disclosure 102-2	Activities, brands, products, and services
About Us	Disclosure 102-3	Location of headquarters
About Us	Disclosure 102-4	Location of operations
Supply Chain	Disclosure 102-6	Markets served
About Us	Disclosure 102-7	Scale of the organisation
Our People	Disclosure 102-8	Information on employees and other workers
About Us	Disclosure 102-9	Supply chain
Strategy, Ethics and Integrity		
CEO Report	Disclosure 102-14	Statement from senior decision-maker
About Us	Disclosure 102-16	Values, principal, standards and norms of behaviour
Governance		
Corporate Governance	Disclosure 102-18	Governance structure
Corporate Governance	Disclosure 102-19	Delegating authority
Corporate Governance	Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics
Corporate Governance	Disclosure 102-23	Chair of the highest governance body
Reporting practice		
Sustainable Future	Disclosure 102-44	Key topics and concerns raised
Sustainable Future	Disclosure 102-46	Defining report content and topic Boundaries
Sustainable Future	Disclosure 102-47	List of material topics
Sustainable Future	Disclosure 102-54	Claims of reporting in accordance with the GRI Standards
Sustainability Appendix	Disclosure 102-55	GRI content index

Global Reporting Initiative Index *cont.*

SECTION REFERENCE	DISCLOSURE	DESCRIPTION
Environment		
GRI 305: Emissions 2016		
Sustainable Future	Disclosure 103-1	Explanation of the material topic and its Boundary
Sustainable Future	Disclosure 103-2	The management approach and its components
Sustainable Future	Disclosure 305-1	Direct (Scope 1) GHG emissions
Sustainable Future	Disclosure 305-2	Energy indirect (Scope 2) GHG emissions
Sustainable Future	Disclosure 305-3	Other indirect (Scope 3) GHG emissions
Sustainable Future	Disclosure 305-4	GHG emissions intensity
Climate change and adaption response		
Sustainable Future	Disclosure 103-1	Explanation of the material topic and its Boundary
Sustainable Future	Disclosure 103-2	The management approach and its components
Sustainable Future	Disclosure 103-3	Evaluation of the management approach
Safety, People & Community		
Workforce Health and Safety		
Our People	Disclosure 103-1	Explanation of the material topic and its Boundary
Our People	Disclosure 103-2	The management approach and its components
Our People	Disclosure 103-3	Evaluation of the management approach
Our People	Disclosure 403-2	Hazard identification, risk assessment, and incident investigation
Our People	Disclosure 403-9	Work-related injuries
People, Diversity and inclusion and employee engagement		
Our People	Disclosure 103-1	Explanation of the material topic and its Boundary
Our People	Disclosure 103-2	The management approach and its components

SECTION REFERENCE	DISCLOSURE	DESCRIPTION
Our People	Disclosure 103-3	Evaluation of the management approach
Corporate Governance	Disclosure 405-1	Diversity of governance bodies and employees
Local Communities		
Sustainable Future	Disclosure 103-1	Explanation of the material topic and its Boundary
Sustainable Future	Disclosure 103-2	The management approach and its components
Sustainable Future	Disclosure 103-3	Evaluation of the management approach

CO-OPERATIVE BULK HANDLING AND ITS CONTROLLED ENTITIES

Five year financial and operational history

		2023	2022	2021	2020	2019
Tonnes received	mt	22.9	21.3	15.1	9.8	16.4
All injury frequency rate (AIFR)		6.0	5.8	7.3	7.2	9.4
Fertiliser tonnes outturned	t	232,000	204,000	184,000	124,500	103,000
Revenue from continuing operations	$m	6,014	6,219	3,993	3,236	4,190
Pools revenue	$m	1,630	1,150	240	196	235
Other gains and losses		173	(239)	13	(5)	(75)
Total revenue including other income	**$m**	**7,817**	**7,130**	**4,246**	**3,427**	**4,350**
Net profit contribution from:						
Grain storage and handling	$m	156	58	44	-11	100
Freight Fund	$m	13	-13	0	0	0
Marketing and Trading	$m	176	438	77	12	(119)
Grain Processing	$m	4	12	14	8	(15)
Corporate and other	$m	88	3	(0)	2	4
Profit attributable to members of Co-operative Bulk Handling Limited	**$m**	**437**	**498**	**134**	**11**	**(30)**
Capital expenditure	$m	551	342	218	201	260
Total assets	$m	4,248	4,379	2,971	2,441	2,594
Total liabilities	$m	(1,411)	(1,990)	(1,078)	(684)	(836)
Equity	**$m**	**2,838**	**2,389**	**1,893**	**1,757**	**1,758**
(Net debt)/net cash	$m	(294)	(368)	(240)	(9)	(306)

Co-operative Bulk Handling Ltd

Level 6
240 St Georges Terrace
Perth WA 6000

GPO Box L886

Freecall 1800 199 083
Telephone (08) 9237 9600
Facsimile (08) 9322 3942
Email info@cbh.com.au

cbh.com.au

Printed on 100% Recycled Paper