

Statement of Pool Performance
OATS
01 October 2021 to 22 February 2023

Tonnes

84,612

	Season Pool	
	\$ '000	\$ Per tonne
Revenue		
Sales	\$ 39,952	
Currency Hedging	\$ (830)	
Commodity Hedging	\$ -	
Less: Other Operating Costs		
Carry in stock	\$ -	
Shipping costs	\$ (6,682)	
Finance recovery	\$ (455)	
Administration costs	\$ (304)	
Management fees	\$ (238)	
Other outturn costs	\$ -	
Total available for equity payment	\$ 31,443	\$ 371.61
Less: Storage&handling costs		
Outturn costs	\$ (2,117)	
Storage costs	\$ (750)	
Other costs	\$ -	
	\$ (2,867)	\$ (33.89)
Outturn Costs Non bulk	\$ (31)	
	\$ -	
	\$ (31)	\$ (0.36)
Less: Freight costs		
Freight to port	\$ -	
	\$ -	\$ -
Net Season Pool value	\$ 28,545	\$ 337.36



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Notes To And Forming Part Of The Statement Of Pool Performance

1. Pool Information

CBH Grain Pty Ltd managed the 2021-22 Season WA Oats Pool on behalf of participating growers. All grain delivered into the pool has been sold and that value, less shipping, bulk handler and other operating costs, has been fully returned to participating growers.

2. Summary of significant accounting policies

a) Basis of preparation

The Statement of Pool Performance has been prepared to provide Pool participants with an overview of the performance of the 2021-22 Season WA Oats Pool (or the "Pool") managed by CBH Grain Pty Ltd.

Pool equity and subsequent payment to Growers is based off the Estimated Pool Return (EPR) which includes gains or losses on foreign exchange and derivative hedging. EPR is benchmarked on Free on Board (FOB) contracts and where the sales are not FOB for example domestic sales, the EPR is adjusted for notional Free on Board (FOB) expenses and revenue for the same amount; this has been formed so all EPRs are published on the same basis with no impact on net pool value.

The policies used in the preparation of the Statement of Pool Performance are described below. In the opinion of the Pool Manager these policies are appropriate to meet the needs of Pool participants.

The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to the 2021-22 Season WA Oats Pool because it is not a "reporting entity". However, the Pool Manager has determined that the report should generally be prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards wherever feasible. The only exceptions to these accounting standards are noted below in b) and h).

b) Revenue recognition

Revenues are recognised at fair value of the consideration received, net of the amount of goods and services tax (GST) payable to the Australian Tax Office (ATO). The following specific recognition criteria must also be met before revenue is recognised:

Grain Sales

Revenue from grain sales is generated from the sale of grain domestically, interstate and overseas and other grain related services. Overseas sales are sold on the basis of Free on Board (FOB), Cost and Freight (CFR), Ex-Works (EXW) or Cost Insurance and Freight (CIF). In the case of sale of goods, revenue is typically recognised when the significant risk and rewards of ownership have passed from the Pool to an external party. For pool closure purposes, sales revenue may on occasion be recognised where a sale is committed but the transfer of ownership has not yet occurred between the Pool and an external party. In such instances, sales revenue will reflect the reasonable expectation of the proceeds that will be generated from that sale contract.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected useful life of the financial instrument) to the net carrying amount of the financial asset.

c) Expense recognition

Expenses are recognised on the basis of actual expenses paid or known obligations existing, and where applicable, inclusive of the amount of GST not recoverable from the ATO.

Borrowing Costs

Borrowing costs are expensed on an effective interest rate basis.

d) Goods and services tax

Revenues and expenses are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the expense.

e) Income tax

The Pool does not incur any income tax liability as a consequence of the pooling arrangements where all the risks and benefits of the pool's activities are retained by the pool's participants.

f) Foreign currencies

Transactions in foreign currencies are converted to Australian dollars at the rate of exchange ruling at the date of the transaction.

g) Derivatives

The Pool is exposed to changes in interest rates, foreign exchange rates and commodity prices from its activities. The Pool uses derivative instruments to hedge these risks. Hedging instruments used can include forward rate agreements, forward foreign exchange contracts, foreign exchange options, commodity futures and commodity options.

h) Sales of assets and liabilities

To distribute returns to Pool participants in a timely manner and at a point prior to finalising the Pool, remaining assets and liabilities may be liquidated for cash by selling the position to other entities or the next open Pool. The main asset realised relates to Oats stock yet to be sold and delivered to customers.

Certain assets or obligations for which the quantity and timing is uncertain may be retained in the Pool until such time as they are resolved or sold to a third party.

Unsold stock: Unsold stock at the time of Pool finalisation may be sold to the next open Pool at the market value of the grain based on the expected market price less the cost of carrying the grain and moving the grain to the customers i.e. interest, storage charges, freight and handling costs.

Contracted stock not delivered to customers: Stock allocated to sales contracts but unshipped at the time of Pool finalisation may be sold to other entities or the next open Pool at the contracted sale price less the cost of carrying the grain and moving the grain to the customers i.e. interest, storage charges, freight and handling costs.

At times such sales may remain within the Pool until they execute, with the value of those sales at finalisation reflecting the reasonable expectation of the outcome of those sales contracts considering the sale price less the cost of carrying the grain and moving the grain to the customers i.e. interest, storage charges, freight and handling costs.

i) Grain acquisitions for cash

Grain is acquired for cash to either expedite finalisation of a prior season Pool or to manage physical positions. Grain acquired from a prior season is valued at either the contracted sales price less the cost of carrying the grain and moving the grain to the contracted customers, or at the expected market price less the cost of carrying the grain and moving the grain to the customers. Grain acquisitions to manage stock positions are principally undertaken to balance supply and demand and where possible to capture favourable market opportunities.

3. Sales Revenue

Sales are made to domestic and export customers. Export sales are sold on the basis of Free on Board (FOB), Cost and Freight (CFR), Ex-Works (EXW) and Cost, Insurance and Freight (CIF). Sales in foreign currencies are converted to Australian Dollars on the date of the invoice.

4. Foreign Exchange

Foreign Exchange includes the translational gains and losses on foreign currency denominated balances and hedging instruments.

5. Commodity Hedging

Commodity hedging gains or losses represents the gain or loss made on commodity hedging activities, predominantly comprising of commodity futures and options hedging.

Gains or losses on commodity hedges offset losses or gains on the underlying physical positions.

6. Carry-In Stock

Carry-In Stock is the contracted and unsold stock acquired by the Pool from the previous season Pool as referred to in Note 2(i).

7. Shipping Costs

Shipping Costs are costs associated with loading grain onto a vessel and they include ocean freight, demurrage and despatch earnings.

8. Finance Recovery

Finance recovery include bank fees, interest income on amounts advanced to Pool Participants and interest charges or interest income on balance of funds in the Pool.

9. Operational Cost Recovery

Operational Cost Recovery represent the marketing and operational costs of running the Pool incurred by CBH Grain Pty Ltd from 1 October (commencement of the pool reporting period) to 30 September of the following year.

Costs are recovered from the Pool by CBH Grain Pty Ltd in the proportion Pool deliveries bear to total harvest CBH accumulations.

10. Administration Fees

Administration fees represents CBH Grain's fee for managing the Pool and are calculated as 0.75% of the Pool's total available for equity payment.

11. Outturn Costs

Outturn costs include Free on Board (FOB) costs, Wharfage and Containerisation fees charged by the bulk handler.

12. Storage Costs

Storage costs are charged monthly by the bulk handler.

13. Stevedoring / Export Inspection Levy / Other Non Bulk Handler Costs

There are certain standard costs associated with each tonne exported that are not charged by the bulk handler. Such costs include stevedoring, wharfage, inspection levies and AQIS charges.

14. Freight to Port

Freight to Port costs represent the cost of moving grain from up-country receival sites to port. Grain sold domestically at up-country sites does not attract a freight charge.

15. Pool Participation Tonnage

The pool participation tonnage used to calculate the dollar per tonne rates reflects tonnes delivered by growers into the pool during the harvest season.

Acting Chief Marketing and Trading Officer's Declaration

I declare that

- (a) The statement of Pool Performance and associated notes comply with the accounting policies as described in Note 2 to the Statement of Pool Performance and the requirements of the Pools Management Policy;
- (b) The Statement of Pool Performance and associated notes present fairly the performance of the 2021-22 Season WA Oats Pool for the period 1 October 2021 to 22 February 2023.



Paul Smith
Acting Chief Marketing & Trading Officer
CBH Group

Dated at Perth this 21 September 2023