Future focused

Annual Report 2024

Welcome to our 2024 Annual Report – an integrated report that highlights the achievements and challenges of Co-operative Bulk Handling Ltd (CBH) for the past financial year (year-ended 30 September 2024).

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 peoples spiritual and cultural connection to the land and waterways. We pay our respects to Elders past and present.

Cover image: CBH's Geraldton Grain Terminal
Inside cover: Thank you to the Clarke family from Bolgart

Contents

Year in review

This year's performance reflects a smaller harvest, continued network investment and an ongoing commitment to providing competitive prices to growers.

$51m
Operations surplus

$500m
Invested in the network

$14.8m
Marketing & Trading surplus

$73.5m
Franking credit

$73.8m
GROUP SURPLUS

$3b
EQUITY

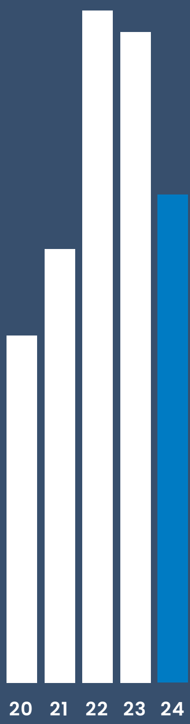
$4.5b
REVENUE

Total surplus minus franking credits

YEAR	$M
2024	73.8
2023	353.3
2022	497.7
2021	133.8
2020	11.0

Equity

YEAR	$B
2024	3.0
2023	2.8
2022	2.4
2021	1.9
2020	1.8



Revenue

YEAR	$B
2024	4.5
2023	6.0
2022	6.2
2021	4.0
2020	3.2

Despite a smaller harvest, our Operations division finished strongly, with our third-largest outloading program and fourth-largest shipping year on record.

1.6m tonnes

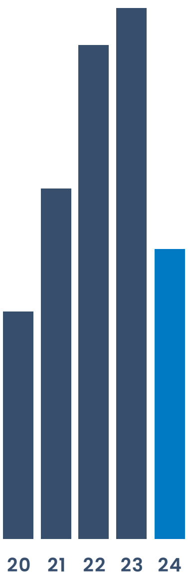
Outturned to domestic markets
(2023: 1.7mt)

14.7m tonnes

Shipped from our port terminals
(2023: 19.7mt)

12.5m tonnes

GRAIN RECEIVED INTO THE CBH NETWORK

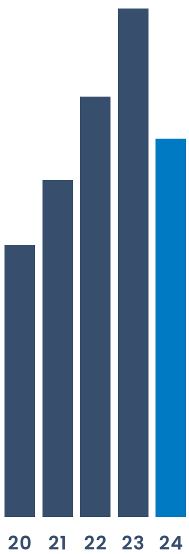


Received into the CBH network

YEAR	MT
2024	12.5
2023	22.9
2022	21.3
2021	15.1
2020	9.8

16.3m tonnes

GRAIN DELIVERED TO OUR CUSTOMERS



Moved out of our supply chain

YEAR	MT
2024	16.3
2023	21.9
2022	18.1
2021	14.5
2020	11.7

SAFETY

6.3

All Injury Frequency Rate
(2023: 6.0)

FERTILISER

253,000 tonnes

Outturned to customers
(2023: 232,000t)

M&T EXPORTS

8m tonnes

Exported by Marketing & Trading
(2023: 8.9mt)

Chair's report

It's been almost three years since we launched our Path to 2033 Strategy, which ensures we are aligned and focused on the future. Now we have completed Horizon 1 and are making good progress to ensure the co-operative is sustainable for the needs of today's growers and future generations.

Looking to the future

This financial year reminds us of the peaks and troughs of farming and the need to remain steadfast in our vision for the future.

During the 2023/24 harvest, Western Australian grain growers delivered 12.5 million tonnes into the CBH network.

This is a stark contrast to the back-to-back record harvests in 2021 and 2022. Despite this, our focus on preparing for increasing crop sizes and meeting export demand continues.

As we approach our centenary in 2033, we forecast average crop sizes of 22 million tonnes and aim to be able to offer 3 million tonnes of outturn capacity per month.

While we are proud to have demonstrated our ability to receive and outturn two massive crops, we need to be able to do this consistently and sustainably.

To achieve this, we are guided by a clear vision – our Path to 2033 Strategy.

This financial year marks the end of Horizon 1 of our Strategy, and I am pleased to report that we achieved our target to outturn a monthly peak of 2 million tonnes, five times.

However, there is still work to be done to ensure these volumes are sustainable in the future, for both our network and the CBH team.

The financial year was marked by challenging trading conditions due to reduced trading volumes (given the smaller crop) and declining economic conditions in China.

High Australian wheat prices also saw the price-sensitive South-East Asian markets of Indonesia and Vietnam source cheaper wheat from the Black Sea and South America.

Investing in tomorrow

To enable us to handle variability in crop sizes and volatility in global grain markets, we continue to invest in the network in line with our Path to 2033 Strategy.

This year we invested $500 million in the CBH network. This investment is crucial to maintaining and replacing our existing infrastructure and expanding supply chain capacity to receive and outturn the crop. But like all businesses, we are impacted by increasing project delivery and operating costs.

In 2023/24 we started to utilise long-term debt to fund our investment in the network. We will continue to do this in a prudent and responsible manner to buffer supply chain fees from crop size volatility.

True to our purpose

This financial year we reported an adjusted surplus of $73.8 million, driven by the smaller harvest and decreased export demand.

Of this, Operations reported a $51 million surplus, reflective of fewer tonnes received into, and outturned from, the CBH network.

Amid tough trading conditions, both Marketing & Trading (M&T) and Fertiliser remained committed to their purpose – to provide the best possible prices to WA growers and to drive a competitive market.

M&T reported a small surplus of $14.8 million, accumulated 42 per cent of the 2023/24 crop and paid $2.9 billion to WA grain growers.

Fertiliser outturned a record 253,000 tonnes. The division maintained an 11 per cent market share in WA, bolstered by its liquid fertiliser offering at the Kwinana Fertiliser Terminal.

Our grain processing investments performed well during the year. Blue Lake Milling reported a surplus of $5.9 million, while Interflour reported a surplus of $6.7 million (CBH's share).

In addition to the surplus, $73.5 million of income was reported in the year, mainly related to the $170 million fully-franked dividend paid by M&T in October 2023, with these funds invested in the network.

Strong for generations

It has been almost three years since the Board endorsed the Path to 2033 Strategy. Alongside the Sustainability Plan, the Strategy outlines what we want to achieve by our centenary, and how we can execute it.

Our targets are ambitious, but achievable. Delivering on our targets will set the co-operative up to be resilient, agile and successful for future generations.

The successful completion of Horizon 1 in our Path to 2033 Strategy is a major milestone and an exciting prospect for WA grain growers.

During the past three years the focus has been on restoring our current infrastructure, building new receival and outloading infrastructure and ensuring the CBH team is supported to deliver the Strategy.

This is reflected in our largest ever investment in our sustaining capital program of $199 million. We have also invested heavily in technology – the systems that enable the CBH team to do their job efficiently.

Good progress has been made on several critical projects, most notably on our new custom-built rail wagons and rapid rail loading upgrades across the network. These will enable us to move WA growers' grain to port more efficiently and maximise value in the first half of the shipping year.

For more information on our Path to 2033 progress, see page 16.

Leadership changes

The Board

I would like to congratulate Gareth Rowe (District 1) and Deputy Chair Natalie Browning (District 3) on their re-election to the Board, and I look forward to their continued contributions. I am proud to have been re-elected as Director in District 5 for another three years and to continue as Chair of the Board.

Growers' Advisory Council

This year we welcomed four new growers to our Growers' Advisory Council (GAC). Joining the council are Kylie Tremlett, Jo Ashworth, Shaun Kalajzic and Blair Humphry. Congratulations to our new members, I look forward to working with you to ensure our co-op continues to service our members as best we can.

The new Councillors replace outgoing councillors Noel Heinrich, Tony White, Graham Ralph and Bruce Trevaskis. Thank you to our outgoing members for their time and commitment to CBH and the WA grain industry.

Looking ahead

If our 91-year history shows us anything, it is that market trends and demand evolve, and crop sizes will continue to increase over time. We will experience highs and lows, and it would be remiss of us to not carefully plan for the future. For now, our focus remains on executing the Path to 2033 Strategy and driving efficiencies across our supply chain.

As we enter Horizon 2, we set our sights on the next four years, with a strong foundation of critical work underway and where we will start to see some significant, tangible outcomes for the benefit of WA grain growers.

Building for the future

Preparing for increasing crop sizes and our ability to meet export demand

Remaining aligned and focused on the future

Balancing fees and debt to fund the network we need into the future

Simon Stead

Simon Stead
Chair

CEO's report

With the variability of agriculture, it is essential to consistently evolve in response to challenges and seize opportunities to deliver value to growers.

Looking to 2033

Looking back over the past year, I am proud of what the CBH team has achieved, particularly given the changing seasonal conditions that are inherent in the agriculture industry.

In previous years, we have relied on our collective organisational muscle to manage and move record harvests. Now we are starting to see the tangible benefits of the Path to 2033 Strategy as we complete the first horizon of our 10-year plan.

Guided by our core values of collaborative, respectful, reliable and sustainable, the team remains committed to our purpose. Their focus on executing the strategy not only highlights our achievements, but also sets a robust foundation for the future.

A fundamental aspect of our mission is ensuring a safe, healthy, and productive work environment, allowing everyone to return home safely each day. Over the past year, our All-Injury Frequency Rate (AIFR) was 6.3, while the number of serious incidents decreased by 17 per cent year-on-year.

We remain committed to continually improving our safety performance, and our strategic focus is directed towards several key areas. This includes investment to eliminate critical risks, continually refining our provision of clear and unambiguous work instructions and further embedding safety behaviours in our team, which encourage our people to plan for the task at hand and consider how to execute it safely.

This comprehensive approach ensures that safety remains an integral part of our culture.

Path to 2033 Strategy

It has been almost three years since we introduced the Path to 2033 Strategy - a roadmap for delivering on our purpose via three strategic objectives and three phases or horizons.

We have now completed the first horizon, which focused on building a robust foundation for our people, our technology, and our supply chain so that we are able to move tonnes to our customers when they have demand for it.

Throughout this horizon, we developed leadership programs for our people, looked to the future when planning our workforce, and progressed a major upgrade of our enterprise technology system that will enable our people to operate more efficiently.

As custodians of the supply chain, we have continued to invest significantly in the network. This has resulted in the acquisition of locomotives and wagons to bolster our current rail fleet, ongoing construction of the rapid rail outloading projects - with five in construction phase or complete and a further six in approvals stage - continual site expansions, refurbishments and throughput enhancements, and upgrades to accommodation facilities.

The team has worked hard to execute key projects designed to achieve the strategic objectives.

We have demonstrated our ability to create network capacity capable of outturning substantial monthly volumes with a peak of 2 million tonnes achieved five times during the first horizon.

From a Marketing & Trading perspective, we have enabled the division to market approximately 50 per cent of the state's crop through our long-term shipping agreements. Strong shipping capacity remains critical to not only our success but the success of our customers in exporting WA grain.

From a Fertiliser perspective, our goal is to achieve a 15 per cent market share, and we are currently at 11 per cent. Encouragingly, this year we have achieved record outturns of 253,000 tonnes, bolstered by the liquid capabilities at the Kwinana Fertiliser Terminal.

As we enter Horizon 2, we expect that the capital investments made in the first horizon will begin to yield tangible results. This horizon will see the arrival of locomotives and wagons and the delivery of major infrastructure projects including rapid rail outloading and the ongoing enhancements to our supply chain capabilities.

While it is more important than ever for us to maintain our focus on the Strategy, our efforts must reflect our current operating environment while delivering value to growers and customers alike. Through these endeavours, CBH is poised to navigate the challenges ahead and capitalise on opportunities for growth and innovation.

Supply chain performance

Through the continual implementation of the Strategy combined with external factors, our supply chain and trading margins have stabilised over the past year, returning to more typical returns compared to the record harvest years, which coincided with the Black Sea conflict.

The ongoing investment into the network has enabled our supply chain to exceed shipping demand. Throughout the year, and despite a smaller harvest, our Operations division delivered an impressive outloading program, with 16.3 million tonnes moved to both international and domestic customers, marking the third highest in CBH's history. The division also demonstrated strong logistical performance in shipping, achieving the fourth largest year on record.

Meanwhile, our Marketing & Trading division remained dedicated to its purpose of fostering a competitive market and maximising value for WA growers. Even in a challenging trading environment, the team successfully targeted premium markets to enhance value and strategically marketed the state's high-protein wheat crop to South-East Asia. These efforts ensured WA growers benefited from prices that met or exceeded global values throughout the year. The division also strengthened customer connections, visiting over 40 customers and hosting more than 200 delegates from over 10 countries.

Our Fertiliser division achieved record outturn volume, driven by the favourable 2024 growing season and a surge in statewide demand. The division completed its first full season with the Kwinana Fertiliser Terminal, offering a comprehensive range of liquid and granular fertilisers. It has been noted that liquid fertiliser costs were reduced throughout the year, with CBH prices remaining below the market average.

Focused on the future

The past 12 months has made it clear that the ever-changing and unpredictable nature of our industry remains a constant. The unwavering dedication of growers to their business and to their community, coupled with the co-operative's commitment to our purpose, is what will position us for enduring success.

Looking ahead to 2033, we anticipate reaching an average crop production of 22 million tonnes. However, we recognise that this journey will be anything but linear. Volatility will persist, and it is imperative our business remains robust and resilient, maintaining a consistent strategic approach amidst the fluctuations.

Together, we are prepared to navigate these challenges and seize the opportunities that lie ahead, paving the way for continued progress and achievement.

Preparing for change

- Adapting to seasonal and industry changes
- Creating a safe work environment
- Focused on delivering our Path to 2033 Strategy

Ben Macnamara

Ben Macnamara
CEO

About CBH

Building a sustainable future for WA grain growers.

Co-operative Bulk Handling Ltd (CBH) is Australia's largest co-operative and a leader in the Australian grain industry.

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

To achieve this, we are guided by our Path to 2033 Strategy and our commitment to increasing efficiencies along our value chain.

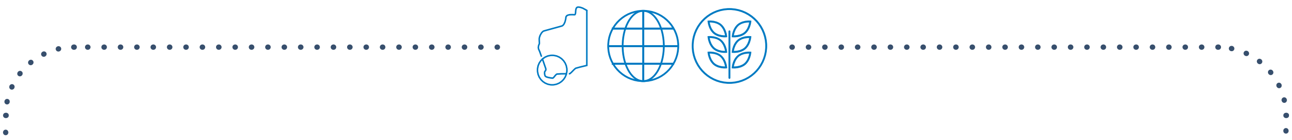
Our operations extend from fertiliser to grain storage, handling, transport, marketing and processing.

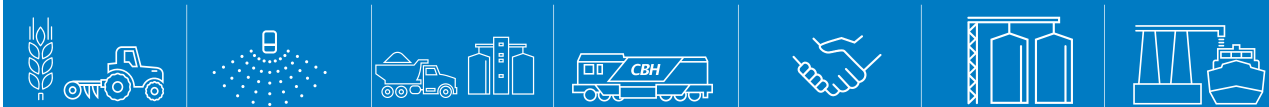
This value chain benefits four key stakeholder groups – WA grain growers, customers (both domestic and international), regional grain-growing communities and the broader Australian grain industry.

CBH was founded in 1933 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 five trial sites to over 100 receival sites, making it one of the largest and most efficient grain supply chains 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	272 customers across 23 countries
operate and invest in more than 60 shires across WA grain-growing communities	high quality products	4 port terminals	up to 300 trucks contracted during peak season	market access	Interflour Group	long-term trusted relationships

Co-operative principles

CBH is Australia's largest co-operative, proudly owned by about 3,500 Western Australian grain-growing businesses.

Our co-operative is based on the principle of 'one member, one vote', and we operate in line with the seven global co-operative principles.

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

- **Voluntary and open membership**
- **Democratic member control**
- **Member economic participation**
- **Concern for community**
- **Autonomy and independence**
- **Education, training and information**
- **Co-operation among co-operatives**

Our values

Our organisational values underpin CBH's culture of working together as One Team to achieve our purpose.

Our values are more than just words – they guide how we work with each other and how we work with growers, suppliers, partners and the communities in which we operate.

These values and associated behaviours represent the CBH team at its best and are what we strive to collectively demonstrate to achieve our Path to 2033 strategic objectives.

Reliable
We do what we say we will do

Sustainable
We act to create a better future

Collaborative
We play as one team

Respectful
We treat everyone with care & respect

Board of Directors

Simon Stead
Chair

Simon Stead was elected 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 & Nomination Committee. During the year, Simon was a member of the CBH Growers' Advisory Council 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 WA's Institute of Agriculture, and is a founding member and past Chair of the Association for Sheep Husbandry, Excellence, Evaluation & 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 a Director of the CBH Board in February 2018 and appointed Deputy Chair in April 2020. She is currently a member of the Network & Engineering Committee and the Audit & Risk Management Committee.

She is 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 & Mutuals, and is 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 Byrne
Independent Director

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

Michael was recently appointed a Commissioner for the Federal Government's National Transport Commission. He is 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 was previously Managing Director of Toll Group and Chief Executive Officer of both Coates Hire and Linfox. He has held 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, he became the inaugural Adjunct Professor at the Centre for Supply Chain & Logistics at Deakin University and is a Fellow of the Australian Institute of Company Directors.

David Lock
Independent Director

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

David is Chair of the Curtin Faculty of Business Law Advisory Council and Regent Motors Group. He is on the Advisory Board for Harvest Road Group and is a member of the Water Corporation's Audit & Risk Committee. He served on the Board of Water Corporation for 10 years, including as Chair, Deputy Chair and Audit & Risk Committee Chair.

David was previously Chair of Australian Pork Limited, the West Australian Meat Industry Authority and the Food Industry Association. He has extensive experience in agribusiness, gained through CEO roles at Craig Mostyn Group and Mareterram Limited from 2004 to 2017.

David holds a Bachelor of Commerce and is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors. He was named the 2012 National Australia Bank Agribusiness Leader of the Year and named an Australian Export Hero in 2013.

Paul Sadleir
Independent Director

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

Paul is a Non-executive Director of Perron Group Limited and Chair of its Remuneration & Nomination Committee. He is 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 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 WA. He is a Fellow of the Australian Institute of Company Directors and the Australian Property Institute.

Michael Caughey
Member Director

Michael Caughey was elected a Director of the CBH Board in February 2023. He is currently a member of the Network & Engineering Committee and the Health, Safety & Sustainability Committee. He is also a member of the CBH Growers' Advisory Council selection panel.

Michael owns and operates a broadacre, grain-growing farm enterprise in the Eastern Wheatbelt. He is a Councillor of the Shire of Nungarin and is 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 Graduate of the Australian Institute of Company Directors and has completed the Executive Leadership Program for Co-operatives & Mutuals.

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

Gareth Rowe

Member Director

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

Gareth produces grain and cattle on his properties in Walkaway, Georgina, Minnenooka and Moonyoonooka.

He has previously served on the CBH Growers' Advisory Council, is a former Director of the Council of Grain Grower Organisations Ltd and former Chair of Geraldton Grammar School.

Gareth was previously a consultant for an international accounting firm and the United Kingdom's Milk Marketing Board co-operative. He has built a number of UK businesses 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. He is a Graduate of the Australian Institute of Company Directors and has completed the Executive Leadership Program for Co-operatives & Mutuals.

Jeff Seaby

Member Director

Jeff Seaby was elected a Director of the CBH Board in February 2019. He is currently a member of the Remuneration & Nomination Committee and the Network & Engineering Committee. He is also a member of the CBH Growers' Advisory Council selection panel.

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

Jeff is a former member of the CBH Growers' Advisory Council. He has completed the Executive Leadership Program for Co-operatives & Mutuals and is a Member of the Australian Institute of Company Directors.

Ken Seymour

Member Director

Ken Seymour was elected a Director of the CBH Board in February 2020. He is currently Chair of the Network & Engineering Committee and a member of the Remuneration & Nomination 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 was a former President of the Shire of Moora for five years, and is currently a Shire Councillor. He was formerly President of the Avon-Midland Zone and 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 & Mutuals and is a Graduate of the Australian Institute of Company Directors.

Royce Taylor

Member Director

Royce Taylor was elected a Director of the CBH Board in June 2021. He is currently a member of the Remuneration & Nomination Committee and the Health, Safety & Sustainability Committee. Royce is also Chair of the CBH Growers' Advisory Council Selection Committee.

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

Royce also holds an Associate Diploma in Agriculture from the Muresk Institute of Agriculture.

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

Barry West

Member Director

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

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

Helen Woodhams

Member Director

Helen Woodhams was elected a Director of the CBH Board in August 2020. She is currently Chair of the Health, Safety & Sustainability Committee and a member of the Audit & Risk Management 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 & Mutuals.

Executive Committee

Ben Macnamara

Chief Executive Officer

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

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

Prior to CBH, he 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 & Mutuals, the University of Western Australia's Business School and Scotch College in Perth.

Tamour Azam

Chief Information Officer

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.

He has over 27 years' experience working in the UK and Australia across multiple industries, including manufacturing, technology, defence and retail.

Tam has a Bachelor of Science in Computing Systems. He was selected in 2010 as the Visiting Industry Fellow at the Australian Defence College's Centre for Defence & Strategic Studies.

Richard Codling

Chief Legal, Risk & Governance Officer and Company Secretary

Richard was appointed Chief Legal, Risk & Governance Officer and Company Secretary in December 2022. He is responsible for CBH's company secretarial, corporate governance, risk and legal functions.

Previously, Richard was Head of Legal at CBH. He also acted as Company Secretary for the Business Council of Co-operatives & Mutuals and was a Director of the CBH Superannuation fund trustee.

Richard is a qualified lawyer with over 27 years of corporate and commercial law experience. Prior to joining CBH in 2005, Richard worked for two top-tier Australian law firms and a major energy utility in the United Kingdom.

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

Jacky Connolly

Chief People Officer

Jacky was appointed Chief People Officer in January 2023, responsible for People & 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 & Safety Management. She is also a longstanding member of the Australian Human Resources Institute.

Mick Daw

Chief Operations Officer

Mick was appointed Chief Operations Officer in February 2022, after acting in the role from July 2021. He is responsible for leading CBH's world-class storage and handling, logistics, engineering and shipping operations.

Previously, Mick was the Esperance Zone General Manager, Albany Zone Manager and Geraldton Zone Manager.

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

Sam Gliddon

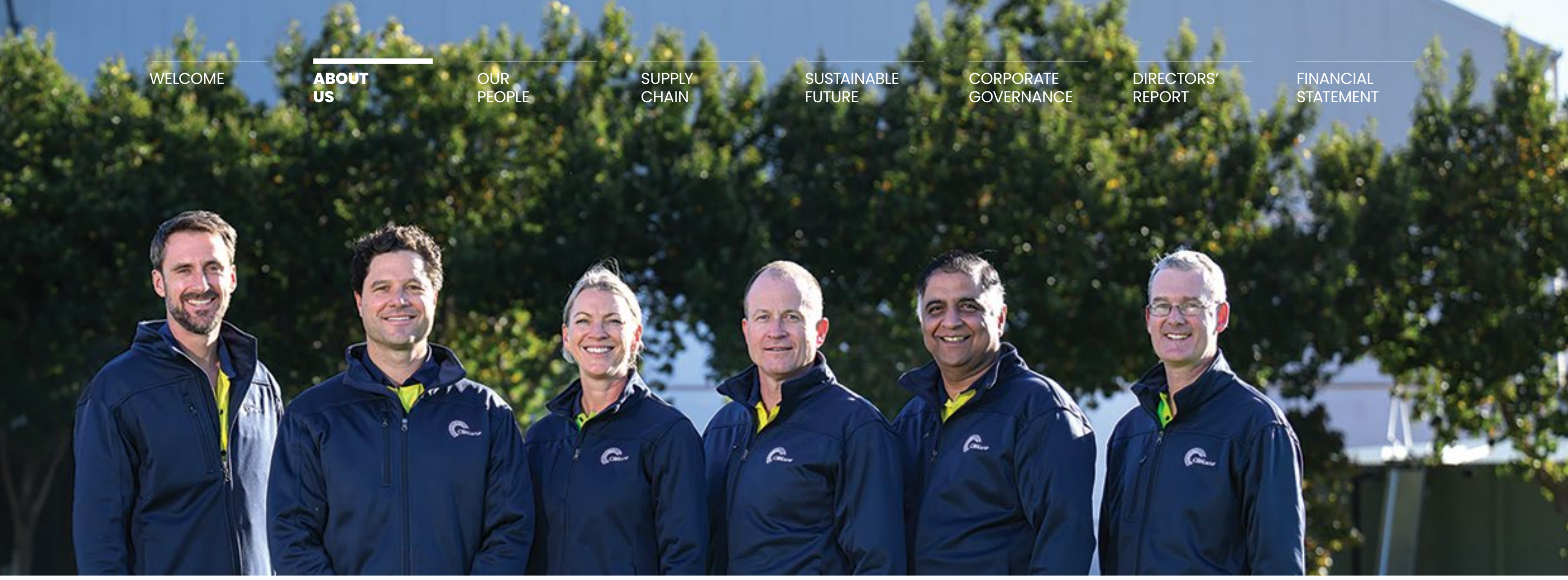
Chief Project Delivery Officer

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

Sam commenced with CBH in the Commercial & Business Development team in 2016, in the role of Planning, Strategy & 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. He has over 16 years' experience in infrastructure planning, finance and accounting roles across agriculture, commodities and asset-intensive industries.

Sam holds a Bachelor of Commerce majoring in Corporate Finance and Financial Accounting, and a Bachelor of Science majoring in Environmental Science. He is a member of the Institute of Chartered Accountants Australia.



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

Stewart Hart

Chief Financial Officer

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 sectors, 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 and Blue Lake Milling Pty Ltd.

Since 2015, Stewart has been a member of the not-for-profit board of Avivo and has been a member of the Resources Committee of Edith Cowan University since 2019.

Brianna Peake

Chief Stakeholder Relations, Sustainability & Strategy Officer

Brianna was appointed Chief External Relations Officer in 2015 and in 2023, this role evolved to Chief Stakeholder Relations, Sustainability & Strategy Officer to encompass corporate affairs, government and industry relations, grower relations, sustainability, strategy, DailyGrain and the CBH Growers' Advisory Council.

Brianna joined CBH in 2010, first as Grower Relations Manager, then progressing to other senior roles, including Marketing Communications Advisor and Government & 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.

Brianna is a Commissioner on the Lotterywest Board, a Director of Grain Trade Australia, and sits on the General Council of the Chamber of Commerce & Industry WA.

Paul Smith

Chief Marketing & Trading Officer

Paul was appointed Chief Marketing & Trading Officer in October 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. Previously, he was Head of Structured Products for CBH 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.

Growers' Advisory Council

The Growers' Advisory Council (GAC) plays a crucial role within CBH, providing a two-way feedback loop between growers and their co-operative.

The Council consists of grain growers who are dedicated to supporting the co-operative's purpose, to sustainably create and return value to its members.

The GAC represents growers by providing feedback on CBH initiatives that affect them. It also works to enhance growers' understanding of CBH and the broader issues impacting the co-operative and the grain industry.

The Council includes 16 grower members, each serving a single four-year term, with representation from the five CBH electoral districts. The group meets quarterly in person, offering a formal channel for growers' feedback and thoughts to be communicated to the Board and CBH executive team.

This year, we welcomed new Council members, Kylie Tremlett from Carnamah, Jo Ashworth from Goodlands, Shaun Kalajzic from Cadoux and Blair Humphry from Walebing.

These appointments followed the completion of terms for Noel Heinrich from Carnamah, Tony White from Miling, Graham Ralph from Dowerin and Bruce Trevaskis from Jerramungup. We extend our gratitude to these outgoing members for their dedication and contribution to the GAC's ongoing success.

LYNDON MICKEL
GAC MEMBER SINCE 2021

"I have thoroughly enjoyed the opportunity to get a better insight into how our grower-owned co-operative works. With the GAC being used as a sounding board by all of the business, it gives you a sense of inclusion into the decision making process. I've also made long-lasting friendships with other growers from around the state."

TARNYA FRASER
GAC MEMBER SINCE 2022

"I am loving my time on the GAC and it is incredibly rewarding to represent growers in my zone. It gives a real insight into the post-farm-gate side of agriculture and its wonderfully complex supply chain. We are given access to so much information and the opportunity to ask questions, challenge ideas and provide feedback."

SHAUN KALAJZIC
GAC MEMBER SINCE 2024

"The information we receive and the networking with other growers, CBH Board members and staff, makes the GAC an incredibly valuable experience. Everyone involved is equally passionate about CBH and the ag industry, and focused on moving into the ever-changing future."

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 Darren Baum, Tarnya Fraser, Blair Humphry, Julie Alvaro, Shaun Kalajzic, Craig Doney, Nick Jenzen, Tamara Alexander, Reece Curwen, Mark Mudie, Kylie Tremlett, Jo Ashworth, Peter Kirchner, Clayton South and Laurie Butler. Absent: Lyndon Mickel.

Craig Doney (Chair)
Kulin

Clayton South (Deputy Chair)
Wagin

Tamara Alexander
Narrogin

Julie Alvaro
Merredin

Jo Ashworth
Goodlands

Darren Baum
Ongerup

Laurie Butler
Perenjori

Reece Curwen
South Stirling

Tarnya Fraser
Quairading

Blair Humphry
Walebing

Nick Jenzen
Cunderdin

Shaun Kalajzic
Cadoux

Peter Kirchner
Munglinup

Lyndon Mickel
Beaumont

Mark Mudie
West River

Kylie Tremlett
Carnamah

Path to 2033 Strategy

We are here

A new horizon

Horizon 1
2022 - 2024

Horizon 2
2024 - 2028

2.0mt
Monthly peak outturn capacity

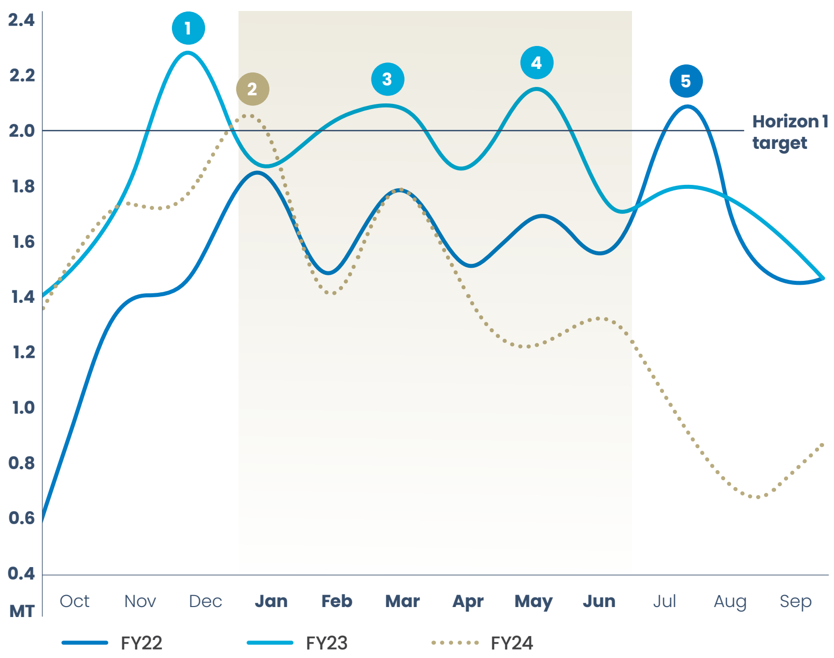
This year marks the completion of Horizon 1 – the first phase in our Path to 2033 Strategy.

We achieved our Horizon 1 target to be able to outturn a peak of 2 million tonnes per month, five times, with a peak of 2.2 million tonnes outturned in the month of December 2022.

Horizon 1 was the first step in ensuring we have the capacity to safely receive an average 22 million tonne crop by our centenary in 2033, and outturn 70 per cent of the crop in the first half of the year.

Achieving our Horizon 1 target has established a strong foundation for the co-operative and means we are well-placed to execute on our Horizon 2 targets.

We demonstrated our ability to achieve our Horizon 1 target, having outturned more than 2 million tonnes per month, five times.



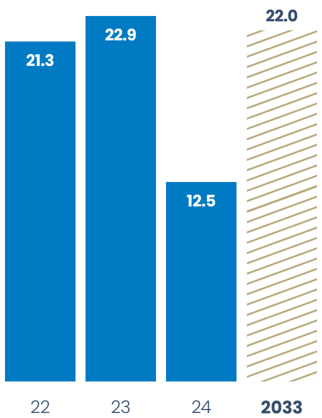
Strategic objectives

STORAGE & HANDLING

22mt

Be able to safely receive an average 22mt crop and outturn 70% in the first half of the year shipping window

Receivals MT



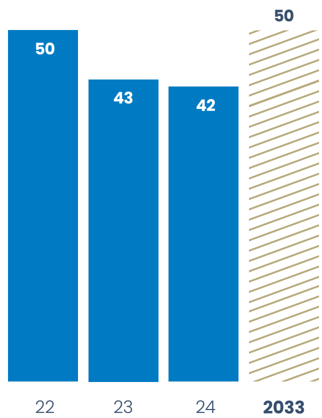
2033 Target

MARKETING & TRADING

50%

Be able to market ~50% of the crop to customers

Market Share %

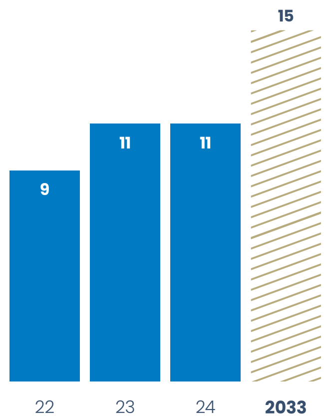


FERTILISER

15%

Be able to hold a 15% market share in the WA fertiliser market

Market Share %



Priority projects

Our priority projects ensure we are focused on initiatives that enable us to achieve our Path to 2033 strategic objectives. By investing in our people, leveraging technology and improving infrastructure we can create efficiencies that drive value for WA grain growers. Each of the projects align to one of our strategic focus areas – People, Technology or Tonnes to Customer.

STRATEGIC FOCUS AREAS

- **PEOPLE**
- **TECHNOLOGY**
- **TONNES TO CUSTOMER**

Complete

These projects either delivered on the outcomes they were seeking to achieve, or are set-up for success to continue to be delivered as part of business-as-usual activity.

LEADERSHIP DEVELOPMENT

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

M&T GROWER AND CUSTOMER ENGAGEMENT PLAN

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

WORKFORCE PLANNING

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

VALUES REFRESH

Identified and started to embed our new values across the organisation

New

Our successful project completion allowed four new projects to be elevated into the priority projects' portfolio.

FUTURE WORKFORCE

Deliver a future workforce framework to support CBH's long-term supply of critical talent

BELOW RAIL PLAN

Participate in discussions with key stakeholders to generate sustainable value for growers

CANOLA CRUSH PLANT

Investigate potential opportunities for CBH to participate in the emerging biofuels and sustainable aviation fuel markets

PORT MASTER PLANS

Develop a Port Master Plan for each of our four ports to ensure port infrastructure investment meets future requirements

Ongoing

Here are some of the Horizon 1 highlights for our continuing long-term priority projects.

GERALDTON STEEL SILO REFURBISHMENT

4/10 silo remediations complete or underway at the Geraldton Grain Terminal

RAPID RAIL OUTLOADING

3 rail sidings built or upgraded at Brookton, Broomehill and Konnongorring

Broomehill rail loading facility near completion

Rail siding and loading facility upgrades underway at Moora and Cranbrook

AVON RAIL UPGRADE

All initial surveys complete

30 per cent design complete

ABOVE RAIL

650 custom-built wagons purchased

24 custom-built locomotives purchased

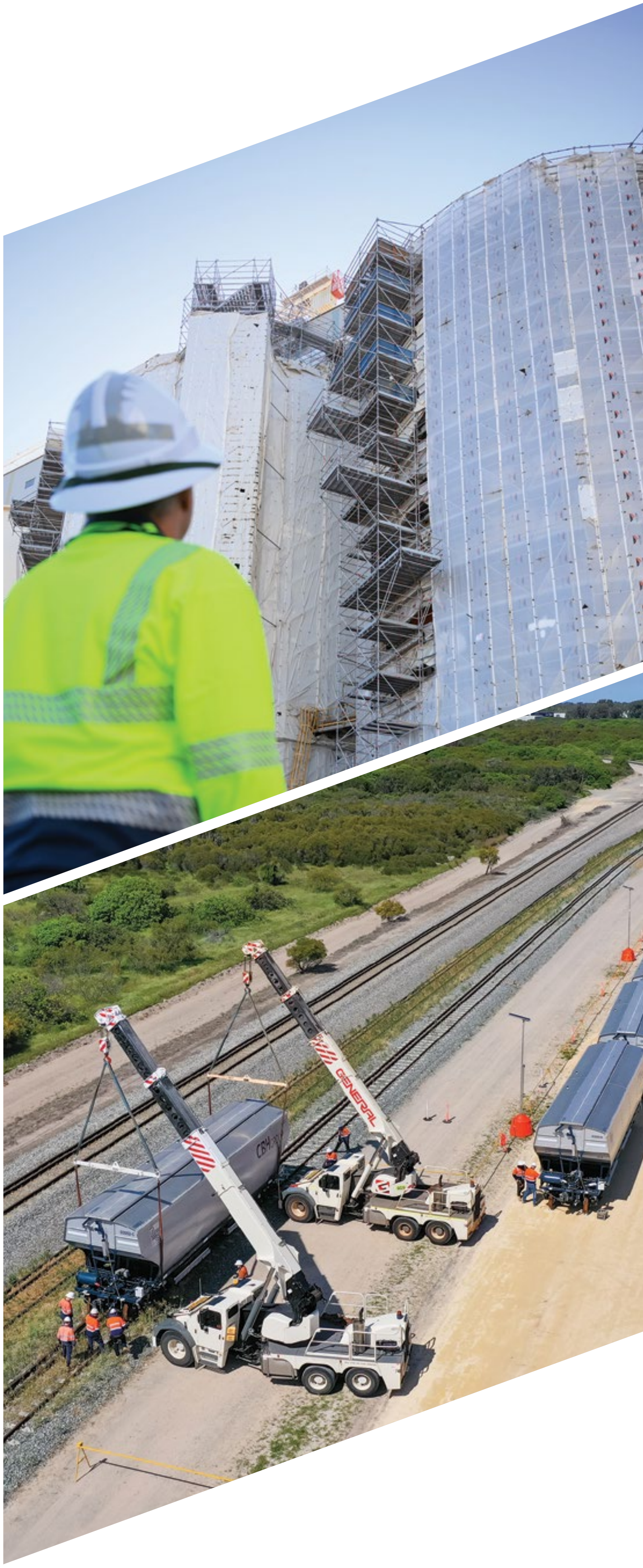
7 prototype wagons completed

SAP UPGRADE

Build underway of our finance, purchasing and asset management system

COMMODITY TRADING SYSTEM UPGRADE

Commenced design of our new trading technology



Safety focused

6.3

ALL-INJURY FREQUENCY RATE

189

MENTAL HEALTH FIRST AID OFFICERS

2,865

ON-SITE HEALTH ASSESSMENTS

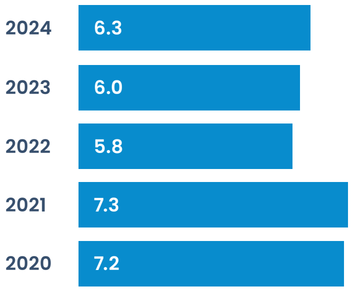
$13.4m

INVESTED IN REDUCING WORKPLACE RISKS

A safe workplace is our priority

We remain committed to providing a safe, healthy and productive work environment, so everyone can return home safely each day.

ALL-INJURY FREQUENCY RATE (AIFR)



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

Safety performance

At CBH, safety is our number one priority. Our All-Injury Frequency Rate (AIFR) for the year was 6.3, above our 2024 target of 5.5. This result was driven by a combination of system, equipment and behaviour-related injuries.

Pleasingly, the number of serious incidents decreased by 17 per cent compared to last year. This improvement follows the implementation of serious incident reduction plans by our frontline teams and contractors.

As part of our continual focus on improving our safety performance, we have renewed our focus on embedding safety behaviours in our daily work and routines, supported by targeted initiatives to address specific risks.

How safety is measured

We measure safety performance with the AIFR. Our AIFR is calculated as the total number of injuries per million hours worked over the past 12 months and is presented as a 12-month rolling average.

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.

All employees and contractors engaged by CBH to complete work are included, such as our road and rail partners.

Embedding safe behaviours

To further embed positive safety behaviours, increased monitoring was introduced to ensure that personal risk assessments are being completed at an appropriate frequency and quality, for all employees undertaking operational tasks. This supports our ongoing focus on field leadership and encourages healthy conversation about safety behaviours.

Building on this, we piloted a behavioural-based safety program for our frontline teams. This is designed to improve our employees' understanding of decision making and how to make risk-based decisions in the course of their daily work.

To better support our contractors to work safely, we upgraded our contractor management system. This simplified contractor onboarding and training, allowing for greater ownership of safety and regulatory compliance by our contractor workforce.

Investing to reduce risks

We invested significantly in critical risk-reduction initiatives this year, to further limit the exposure of our people to potentially fatal or permanently disabling injuries.

Approximately $13.4 million was invested across the network on:

- guarding equipment at our terminals
- grid cover replacement to reduce people/plant interactions and eliminate crush risk
- improving infrastructure to ensure our employees can safely work at heights.

Our people are supported to look after both their physical and psychological health and wellbeing through a range of workplace initiatives.

Physical heath

We completed over 2,800 on-site health assessments this year.

The assessments included skin checks, flu vaccinations, ergonomic evaluations and targeted health consultations. For the first time, we offered tailored health check options to our frontline employees, based on their feedback to local 'health champions'. These ranged from single tests such as blood pressure, to comprehensive GrainFit assessments.

More than 450 employees participated in our skin check program, which helps identify employees with potentially harmful sun damage.

Additionally, 241 employees participated in events that encouraged healthy lifestyle choices, such nutrition and exercise challenges.

Psychological safety and mental health

During the year, we strengthened our internal mental health service offering with the introduction of a comprehensive psychosocial safety program. This includes a toolkit to educate our people on psychosocial hazards and a dedicated system that allows anyone to confidentially report a psychosocial risk or uncontrolled hazard. All reports received are reviewed, and if required, undergo a structured investigation with a person-centered approach.

The psychosocial safety program builds on existing mental health initiatives, which were further embedded during the year.
We maintained our Advanced status through the Mental Health First Aid Workplace Recognition Program, with 189 employees trained as Mental Health First Aiders. Becoming an Upstander training sessions were delivered to another 390 employees (bringing the total to 1,100), aligning expected behaviours across CBH.

We also continued to offer free and confidential psychological support to our people and their families through our employee and manager assistance programs. CBH consistently demonstrates a healthy engagement level with these programs, which has been proven to improve health and wellbeing outcomes.


CBHGROUP

Investing in our people

2,000
HARVEST CASUALS EMPLOYED

17–85
AGE GROUP SPREAD

1,400+
PERMANENT EMPLOYEES[1]

30%
FEMALE WORKFORCE[2]

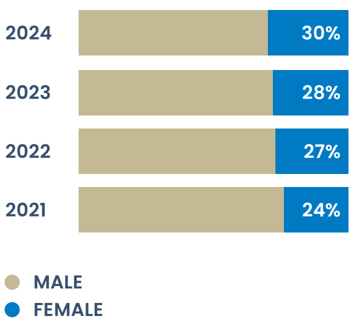
795
EMPLOYEES WITH FIVE-PLUS YEAR TENURES

53%
REGIONAL-BASED EMPLOYEES[2]

Paving the way

Driving our Path to 2033 Strategy are our people. Investing in their growth and supporting their development are fundamental to our collective success. Importantly, our focus ensures CBH continues to be a great place to work.

PERCENTAGE OF FEMALE EMPLOYEES[2]



[1] Excludes fixed term
[2] Excludes casuals

Future workforce

During the year, we launched a new priority project 'Future Workforce' – a sustainable framework for the co-operative's long-term talent needs. This initiative focuses on enhancing organisational capabilities and career pathways. It includes diverse entry options, a tailored learning model for receival point operators, and will next year deliver a revamped induction experience to support rapid learning, compliance, safety and inclusivity.

Empowering leaders

Our leaders drive the achievement of our Path to 2033 Strategy, and leadership development is integral to the co-operative's success. Empowering great leaders at CBH fosters an open, productive and positive work environment, and importantly, supports team members to be engaged.

Development programs were attended by 225 leaders during the year, aimed at supporting the growth of highly skilled leaders, aligned with our values and strategy.

These programs included:

- The CBH Way training for 102 leaders – building connections, culture, self-awareness and accountability among leaders
- Leadership Essentials training for 68 leaders from within our Operations division – a combination of face-to-face and online virtual coaching sessions
- Harvest Ready training for 55 leaders – designed specifically for team members who step into a leadership role during harvest.

Gender pay gap

We have a sustained focus on enhancing gender diversity and closing our gender pay gap. We acknowledge this is a journey and there is more to do in this area.

Each year, gender-based insights, including remuneration data, are submitted to the Workplace Gender Equality Agency for analysis alongside other Australian companies with over 100 employees. Recent results show:

- Our median total remuneration gender pay gap was 16 per cent, which is below the industry comparator group (20.4 per cent) and the 'all industries' benchmark (19 per cent).
- Roles in CBH's lower remuneration quartile include 49 per cent female employees, compared to 17 per cent in the upper quartile. This means we need to do more to develop women through to higher levels within our organisation.
- Overall gender diversity increased from 24 per cent in 2020/21 to 30 per cent in 2023/24.
- CBH is pleased to have a gender-agnostic paid parental leave policy available to all employees that encourages dads and partners to be equally supported as the primary caregiver.

While this data indicates strong improvement, we remain focused on advancing gender diversity and increasing representation of women in managerial, technical and other speciality roles to further reduce our overall gender pay gap.

We are committed to fair and equitable employment practices that foster trust and engagement, aligning with our values of respect, collaboration, reliability, and sustainability.

Regional employment

More than half (53 per cent) of our non-harvest workforce is located in regional areas across Western Australia's grainbelt. In addition, we hire harvest casuals to work at around 100 regional sites from October to January each year. For the 2023/24 harvest, we hired 2,000 seasonal workers, 59 per cent of whom were female. For the 2024/25 season, over 5,800 applications were received.

Our Reconciliation Action Plan

We respect the rich history and connection of Traditional Owners to the lands where we operate, and we want to play our part in enhancing reconciliation.

During the year, significant progress was made on the CBH Reconciliation Action Plan (RAP). Our vision of 'being better together' acknowledges our shared history and aims to build a future of respect, inclusion and sustainability.

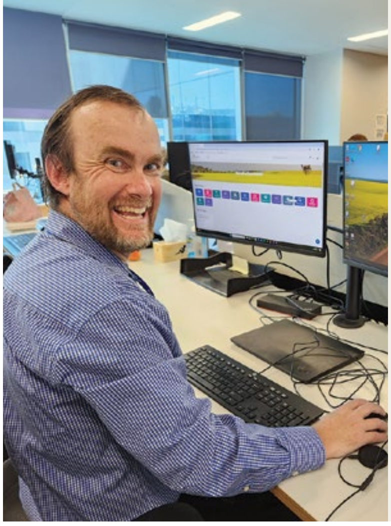
The first phase, 'Reflect', was successfully completed in August 2024, establishing a solid foundation for meaningful engagement with Aboriginal communities.

Key achievements included the launch of an internal cultural awareness program, integrating Aboriginal suppliers into our supply chain, and having a pathway to achieve increased Aboriginal employment through an existing partnership with Clontarf Academy.

The next phase of our RAP journey, 'Innovate', will focus on further strengthening relationships and implementing strategies developed during phase one. Our goal is to continue building trust and collaboration with Aboriginal communities, ensuring business practices reflect our shared values and commitment to reconciliation.

Scan to watch the CBH and Katanning Clontarf video

Celebrating two decades of dedication



For over 20 years, Brett Silvester has been more than just a friendly face at CBH. His journey began in August 2004, when he joined us through a disability employment agency. He progressed from helping with administrative tasks, such as scanning documents and filing accounts, to his current position as Administration Assistant in the People Services team.

Brett's tenure at CBH has been marked by significant transformations in workplace processes. His role has adapted alongside advances in technology, moving from paper-based systems to digital platforms, and transitioning from bulky office hardware to streamlined laptops and headsets.

For Brett, one constant though, has been the friendships and connections he has built over the years.

"I have great friends at CBH. I have coffee catch-ups with lots of different people and enjoy the connections I have made," Brett said.

"Twenty years is a long time to work here and a big achievement. Everyone in my team got together and celebrated with me. I had lots of messages and visits from people across CBH and a personal message from the CEO.

"Having a disability, I like having my own independence. This job gives me that. I get to come in and do something I enjoy and develop in my role. It also gives me a stable foundation to build my life outside of work."

Acknowledgement of service

25 Years

- Paul Channon
- Shaugn Tomlinson
- Jeffrey Mutch
- Terry Rowe
- Scott Houston

30 Years

- Trevor Martin
- Raymond Mickle
- Greg Wilkinson
- William Golling
- Paul Stoner

35 Years

- David Caley
- Richard D'Lima
- Duncan Gray
- Matthew Greaves
- Charlie Guthrie
- Mick Daw
- Craig Dicks
- Guy Baxter
- Don Jones
- Terry Chrimes
- Neville Scott

40 Years

- Shane Higgins
- Blake Andrews

45 Years

- Kim Main
- Russel Saunders
- Jock Carlson
- Barry Pearson
- Colin Jenkins
- Alan Olsen

Thank you for your longstanding commitment and contribution to CBH.

Image: Mick Daw and Duncan Gray

Cost-effective fertiliser

253,000
TONNES OF FERTILISER OUTTURNED, HIGHEST TO DATE

33%
OF BUYERS WERE NEW CUSTOMERS

56,000
TONNES OF LIQUID FERTILISER OUTTURNED

11%
OF WA FERTILISER MARKET SHARE

Driving value, locally

Our Fertiliser division achieved record outturn volumes, driven by strong seasonal conditions, increased demand and the continued success of our liquid fertiliser offering at the Kwinana Fertiliser Terminal.

Record volumes driven by strong seasonal conditions

In 2024, more than 250,000 tonnes of fertiliser were outturned from our three locations (Esperance, Kwinana and Geraldton) – a nine per cent increase on last year and our largest volume in nine years of operation. This was driven by favourable seasonal conditions and a surge in demand for fertiliser across the state.

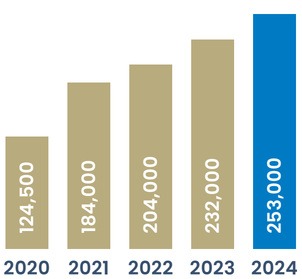
The division completed its first full season with the Kwinana Fertiliser Terminal fully operational, offering a full range of liquid and granular fertilisers.

With all facilities now fully up and running, we scaled up our operations in 2023/24 and expanded our team with operational and sales employees as well as a Health & Safety specialist to ensure continued safety, growth and efficiency.

We also welcomed 198 new customers in 2024, further expanding our market presence and enhancing our ability to deliver value to Western Australian grain growers.

While maintaining our market share, the overall volume increased due to the expansion of the market and rising demand for fertiliser in WA.

FERTILISER TONNES OUTTURNED



Expanded product range

In April, we introduced Urea + Glaze Extend, a water-based, solvent-free urease inhibitor designed to reduce nitrogen loss through volatilisation.

This non-toxic product provides agronomic and economic benefits to growers by improving nitrogen use efficiency.

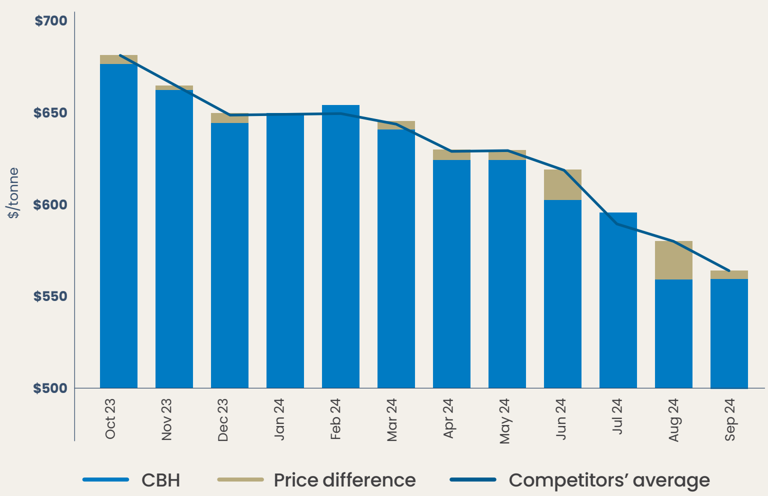
Urea + Glaze Extend has been well received, particularly in the Esperance Zone. Following its initial launch, demand increased with favourable weather, resulting in over 12,000 tonnes collected across the state by the end of June and 52 growers purchasing the product.

Driving a competitive market

Since introducing our liquid Urea Ammonium Nitrate (UAN) product in April 2023, we have successfully increased outturn volumes and driven down liquid fertiliser costs for WA growers.

Over 270 growers have purchased UAN this year, with more than 56,000 tonnes outturned, demonstrating our commitment to diversifying our offerings and delivering value to WA growers.

UAN FERTILISER PRICES



When in the market, CBH's pricing remains below the market average for UAN fertiliser. Through our tactical pricing, we are helping to reduce fertiliser costs for all growers.

Operations in motion

12.5m

TONNES RECEIVED INTO THE NETWORK

14.7m

TONNES SHIPPED OVERSEAS TO CUSTOMERS

407,000

TONNES RECEIVED IN ONE DAY

1.6m

TONNES OUTTURNED TO DOMESTIC MARKETS

16.3m

TONNES DELIVERED TO CUSTOMERS

5

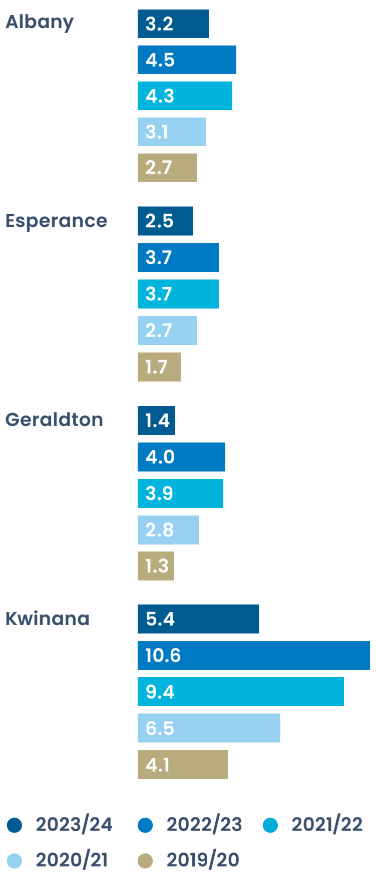
CONSECUTIVE MONTHLY ROAD TRANSPORT RECORDS BROKEN (TONNES TO PORT)

Moving grain to port

Despite a smaller harvest, high carryover combined with sustained demand for WA grain saw our third-largest outloading program and two monthly shipping records broken.

GRAIN RECEIVED IN EACH ZONE

(million tonnes)



Sustained demand boosts outloading program

The 2023/24 harvest reminds us of the volatility of agriculture, with 12.5 million tonnes received after two record-breaking seasons.

Despite the lower receivals, our outloading program remained strong, with an outturn of 16.3 million tonnes to international and domestic customers – the third-largest amount in CBH's history.

This was due to higher-than-average carryover grain at the start of the season and sustained demand for grain around the world.

Adapting to change

The 2023/24 harvest was smaller and shorter than the previous year's record harvest. We received 12.5 million tonnes across 104 sites in the network, with 407,000 tonnes being our biggest day of receivals (compared to 603,000 tonnes in 2022/23).

Early in the season, it was clear it would not be a repeat of the previous two record years.

The swift change from above to below average receivals, reminds us of the nature of agriculture, and how we must plan for volatility and adapt to changing conditions.

Dry seasonal conditions resulted in higher screenings and higher protein, which we addressed by introducing additional utility grades.

In addition, we made improvements to our quality optimisation limits and rules, and moisture grading system.

This created more opportunities for growers to capture the value of their grain in these challenging conditions.

Road and rail

This year's strong logistical performance was supported by our road contractors moving 6.9 million tonnes of grain directly to our ports and breaking five monthly records in the process.

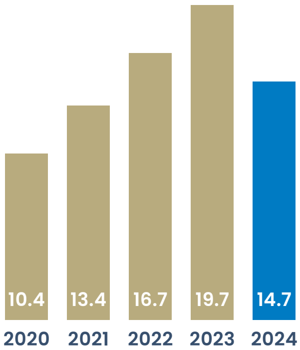
Our rail performance was sound, with our rail partner Aurizon moving 7.9 million tonnes, and breaking a monthly record in November 2023. However, the smaller task was reflective of the significantly smaller crop in comparison to previous years.

Shipping

As a result of the road and rail logistics records, we were able to ship 14.7 million tonnes, which included two monthly records. This was in line with the five-year average, making it our fourth-largest shipping year on record.

TONNES SHIPPED

(million tonnes)



Outturns

A total of 16.3 million tonnes was outturned to our customers. This included 14.7 million tonnes shipped to international customers, 1.6 million tonnes delivered to domestic markets, and 500,000 tonnes outturned by conveyors and containers. The total domestic outturns were the second-largest domestic outturns for CBH in history.

World-leading grain protection and traceability

One of the objectives of CBH's Sustainability Plan is to maintain and open new markets for WA growers.

As part of this, 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.

In the 2023/24 harvest, we collected and stored a record 62 per cent of all individual truck loads for the purpose of chemical residue traceability.

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

For growers, improved chemical residue traceability maintains market access and potentially creates a competitive advantage for WA grain.

We have made significant improvements to the load sample collection, logistics and handling processes, including retrofitting an existing facility at our Metro Grain Centre to warehouse load samples before and after laboratory testing.

In 2020, CBH started to bring all chemical residue testing in-house. We have National Association of Testing Authorities (NATA) approved methodologies to test over 35 chemicals, with capacity to perform more than 300 tests per day.

Advancing technology through collaboration

Xinhuan Yan joined CBH as a casual during the 2018/19 harvest and is now the Calibration Support Officer for the visual analysis project.

Yan is excited about the potential of the technology to transform how grain is tested.

"I enjoy being at the forefront of this cutting-edge technology and feel motivated knowing that the consistency and accuracy of the sampling will significantly benefit growers," Yan said.

The role has allowed Yan to expand and diversify his skillset.

"Over a week I could be testing the calibrations with the grain quality team, working with our IT team on system integration, or supporting our project partner, Deimos."

"This collaboration across teams has been critical to the success of the project."

Yan's expertise contributed to CBH harvest casuals and growers having a positive experience with the visual analysis technology during the 2023/24 harvest.

Scan to see our Visual Analysis technology in action

Grain sampling innovation

During the 2023/24 harvest, we trialled our cutting-edge Visual Analysis (VA) technology to improve the speed, consistency and accuracy of grain sampling. The trial, conducted at our Pingrup and Pingaring sites, was a success and provided valuable data and feedback to further develop the technology.

For the 2024/25 harvest, we expanded the trial to 13 sites – Hyden, Pingaring, Lake Grace, Newdegate, Pingrup, Nyabing, Mindarabin, Gnowangerup, Ongerup, Lake King, Narembeen, Mount Walker and Bulyee.

Our Grain Technology team partnered with local technology company, Deimos, to build the custom-made VA machine, which uses visual analysis technology to detect grain defects and weed seeds in barley, wheat and oats.

The technology replaces the visual checks usually done by samplers. Other sampling process checks such as hectolitre weight, protein, moisture and screenings, continue to be performed by samplers.

The key benefits of the VA technology to growers are:

- larger sample size tests (up to 20 times greater), reducing sub-sampling variability
- reduced sampling times (less than 2.5 minutes)
- real-time images available in the CDF app, linked to sampling results.

Investing today, for tomorrow

$500m
INVESTED IN THE NETWORK

Rail fleet expansion
WAGONS BEING BUILT, NEW LOCOMOTIVES DESIGNED

492,000
TONNES OF PERMANENT STORAGE ADDED

253,000
TONNES OF MAJOR STORAGE UPGRADES

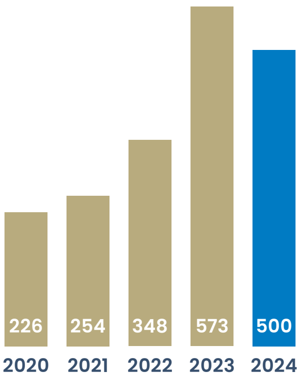
$199m
INVESTED IN SUSTAINING CAPITAL

Respecting our infrastructure

As custodians of the supply chain, we continue to invest significantly in the network. The second horizon of our Path to 2033 Strategy will continue to yield tangible results with the delivery of major projects, and arrival of our new locomotives and wagons.

INVESTED IN NETWORK

($ millions)



Scan the QR code to watch videos on some of our latest network projects

This year we continued our sustained investment in the network, to be able to achieve a peak monthly outturn of 3 million tonnes by 2033.

Throughout the year, we continued to expand our network, improve infrastructure and importantly, maintain our assets to further increase logistical capacity.

A total of $500 million was invested throughout the year, which included:

- $237 million on upgrading our country sites and ports, payments for new locomotives and wagons, expanding our rail fleet
- $199 million on sustaining capital projects
- $64 million on an extensive maintenance program.

Network site upgrades

Our Munglinup and Merredin sites were the beneficiaries of storage expansion and throughput enhancements, while other throughput enhancement programs were undertaken at Goomalling, Kondinin, Broomehill and Beaumont sites.

The upgrades will result in improved grower service, grain handling efficiencies and better safety outcomes.

This year we continued our work on the Port Master Plans, which outline the major long-term investments required at CBH's four port terminals, taking a holistic view of increasing our future tonnes-to-customer capacity.

Our accommodation builds, refurbishments and acquisitions continued at Miling, McLevie, Munglinup, Moora, Dunn Rock and Esperance, adding over 65 additional rooms with new living, cooking and other amenities to help our people feel at home and ready for work each day.

To ensure we are getting the most out of our investments, CBH is continuing to convert temporary storages to permanent specification, using the Path to 2033 Strategy and our Network Plan as a guide. We have retained 78,000 tonnes already through this conversion, with more planned for next year.

Building our rail capability

It was another significant year for our rail outloading assets and associated rail infrastructure, as we plan for the future of our network.

Construction continued on the Broomehill rapid rail and outloading project, comprising a rail siding extension and fixed rail loading facility. Completion is expected in late 2024.

Contracts were awarded and construction commenced on the Konnongorring siding (now complete), Cranbrook rail and outloading project, and Moora rapid rail and outloading project. Completion is expected in mid 2025 and the first half of 2026 respectively.

Funded as part of the State and Federal Governments' $200 million Agricultural Supply Chain Improvement (ASCI) initiative, five of the 11 rail siding extensions are now underway or complete.

Progress on feasibility and approvals continues for the remaining six rail projects, located at Avon, Kellerberrin, Dowerin, Ballidu, Mingenew and Perenjori North.

In October 2024, an important milestone in the Above Rail priority project and our Path to 2033 Strategy was marked with the completion of seven prototype wagons, custom-built by CRRC Meishan. The prototypes precede the delivery of a further 200 standard-gauge and 450 narrow-gauge grain hopper wagons, expected in early 2025.

We continue to work closely with Progress Rail and Wabtec on the final designs of the standard-gauge and narrow-gauge locomotives.

Sustaining capital program

This year we focused on maintaining our assets, following two consecutive record harvests which tested our equipment and infrastructure. We invested a record $199 million in sustaining capital projects, to ensure the longevity and continued performance of our supply chain.

Key projects included:

- continuing refurbishment of the Geraldton Terminal Steel Silos
- continuing to refurbish key sealed storages across the network. This year saw 296,000 tonnes returned to full operational capacity across six sites – Northampton, Geraldton Terminal Annexe, Koorda, Kellerberrin, Hyden and Borden
- port shutdowns at Kwinana, Geraldton, Albany and Esperance Grain Terminals, ensuring optimum performance
- improving safety for our employees, including electrical remediation and our critical risks safety program
- mobile equipment acquisition – including multi-loader stackers (MLS), front-end loaders and drive-over grids - to bolster our fleet and replace aging assets to support our frontline teams.

Strategic asset maintenance

In 2024, $64 million was invested in an extensive maintenance program, which included:

- implementing travelling electrician and critical spares plans
- improving drive-over grids
- structural inspections of silos and storages
- reviewing our ship-loaders and MLS designs
- modelling dust systems capacity at our ports.

CBH takes a data-driven approach that ensures our assets are effectively utilised, maintained in optimal condition and responsibly retired, maximising their value and supporting sustainable business operations.

Major network projects undertaken in 2023/24

Albany	Esperance	Geraldton	Kwinana North	Kwinana South
Borden sealed storage remediation	Munglinup site upgrade	Geraldton Grain Terminal steel silo refurbishment	Merredin site upgrade	Goomalling weighbridge
Hyden sealed storage remediation	Munglinup employee accommodation	Northampton sealed storage remediation	Miling, McLevie and Moora employee accommodation	Kondinin throughput enhancement
Broomehill rapid rail and outloading project (in progress)	Beaumont conveyor throughput enhancement	Geraldton Grain Terminal annexe sealed storage remediation	Konnongorring rail siding	Kellerberrin sealed storage remediation
Cranbrook rapid rail and outloading project (in progress)	Esperance Grain Terminal rail maintenance	Moonyoonooka bulkhead sealing	Koorda sealed storage remediation	Kwinana Grain Terminal ship-loader hopper replacement
Broomehill grid upgrade	Grass Patch bulkhead sealing		Muntadgin bulkhead sealing	Kwinana Grain Terminal rail turn-out replacement
Albany Grain Terminal blast and paint			Southern Cross bulkhead sealing	Metro Grain Centre silo remediation


Expansion and enhancement
Sustaining capital
1
2
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11
12
13
14
15
16
17
18
19
Binnu
Yuna
Northhampton
Mullewa
GERALDTON
Moonyoonooka
Narngulu
Canna
Pintharuka
Mingenew
MORAWA
Bowgada
Arrino
Perenjori
Three Springs
Carnamah
Bunjil
Latham
Coorow
Marchagee
Wubin
Goodlands
Watheroo
McLevie
Miling
Pithara
Kalannie
Cleary
Beacon
Wialki
Bonnie Rock
Ballidu
Kirwan
Moora
Bindi Bindi
Kondut
Cadoux
KOORDA
Bencubbin
Gabbin
Mukinbudin
Piawaning
WONGAN HILLS
Konnongorring
Ejanding
Trayning
Warralakin
Mogumber
Calingiri
Wyalkatchem
Dowerin
Nembudding
Nungarin
Regans Ford
Bolgart
Goomalling
Watercarrin
Kodj-Kodjin
Carrabin
Burracoppin
Southern Cross
Moorine Rock
Bodallin
Jennacubbine
Yorkrakine
Hines Hill
MERREDIN
Meenaar
Meckering
Tammin
Doodlakine
Koonadgin
Marvel Loch
AVON
Cunderdin
Kellerberrin
Korbelka
Muntadgin
Dulyalbin
METRO GRAIN CENTRE
York
Greenhills
Bruce Rock
Holleton
South Yilgarn
Mawson
Yoting
Wogarl
Shackleton
Narembeen
Quairading
Ardath
Mt Walker
Ainsworth
South Kumminin
KWINANA
Mt Kokeby
Jubuk
Woolocutty
CORRIGIN
Dale
Brookton
Aldersyde
Bulyee
Bullaring
Kondinin
Hyden
East Hyden
Karlgarin
Yealering
Yornaning
Wickepin
Kulin
Pingaring
SE Hyden
Lake Varley
Dudinin
Kuender
Narrogin
Nomans Lake
Tarin Rock
Narrakine
Kukerin
LAKE GRACE
Newdegate
Lake King
Salmon Gums
Moulyinning
Kuringup
Holland Rocks
Darkan
Wagin
Dumbleyung
Grass Patch
Mt Madden
Dunn Rock
Bokal
Nyabing
Pingrup
Cascade
Woodanilling
Mindarabin
RAVENSTHORPE
KATANNING
Badgebup
Lake Cairlocup
Beaumont
Munglinup
Shark Lake
West River
ESPERANCE
Boyup Brook
Kojonup
Broomehill
Gnowangerup
Jacup
Ongerup
Tambellup
JERRAMUNGUP
Borden
Gairdner
Cranbrook
Wellstead
Kojaneerup
Mirambeena
ALBANY

Connecting growers and customers

42%
ACCUMULATION OF THE WA CROP

26%
MARKET SHARE OF AUSTRALIA'S BULK GRAIN EXPORTS

8m
TONNES OF GRAIN EXPORTED BY MARKETING & TRADING

20%
OF GRAIN SHIPPED WAS SUSTAINABLY CERTIFIED

$2.9b
PAID TO WA GROWERS FOR THEIR GRAIN

Strength in global connections

Our Marketing & Trading division focused on connecting Western Australian grain growers with global customers and targeting premium markets to maximise grower returns.

Maximising value

This year, our Marketing & Trading (M&T) division recorded a surplus of $14.8 million. This was a positive result given the difficult trading environment throughout the year. Our M&T division consistently reflected export values or above to growers through their daily cash bids, delivering on M&T's purpose of driving a competitive market.

With a below-average WA crop, our sales strategy focused on targeting premium markets to maximise returns for WA growers. We prioritised our tradeable volumes to long-term customers, and extracted value through targeted marketing of the state's high protein wheat crop. This enabled us to create greater value for WA growers throughout the year.

However, favourable production conditions in other regions led to comfortable global stock positions. Combined with a general reduction in global demand on the back of economic conditions, this saw a decline in international grain prices over the year. Grain values retreated to levels not seen since the outset of the Russia/Ukraine conflict.

The low volume and high price of WA's crop compared to our competitors forced our traditional markets to turn to cheaper suppliers. The Black Sea and Brazil sold large volumes of wheat into South-East Asia, including Vietnam and Indonesia, where customers have adapted to accommodate cheaper wheat with a different quality profile over recent years.

The slowing global economy impacted the grain market, as demand for food and beverage products weakened. China was among the affected economies and reduced its demand for WA barley and wheat throughout the second half of the year.

In addition, the combination of the smaller harvest, increased farm costs and lower global grain prices reduced WA growers' propensity to sell, with many holding their grain for an unprecedented period.

M&T bought 5.2 million tonnes (42 per cent) of WA's crop paying $2.9 billion to grain growers. We shipped 8 million tonnes of grain aboard 170 bulk vessels and 3,850 containers.

Domestic outturn surge

Domestically, we saw heightened activity between March and July, with a record 260 contracts of feed barley, wheat and lupins secured, up 115 per cent from the previous year. The strong demand from domestic buyers was due to limited feed stock, driven by the late start to the season.

Key markets for WA grain

Early China demand drives surge in wheat and barley exports

China remained a key market for WA grain in early 2023/24, with strong early demand for wheat and barley driving a surge in exports. M&T shipped a total 3.5 million tonnes of wheat and barley to China, more than triple last year's volume and marking a significant return after the three-year loss of the barley market for Australia. Wheat shipments alone were up 41 per cent year-on-year. However, Chinese demand fell away sharply in the second half, as an already significant global procurement program, combined with slowing economic conditions, saw China withdraw from global markets.

Strong demand for WA noodle wheat from Japan

Japan continues to be a vital market for WA grain, with M&T shipping about 1.2 million tonnes this year. The strong demand for WA noodle wheat, malt barley for shochu and feed barley highlights the importance and value of our longstanding customer relationships.

Despite challenges with dry climatic conditions and a smaller crop, WA has maintained a consistent supply of quality wheat that meets the premium noodle wheat market requirements. This is critical to the Japanese market in particular, for production of udon and somen noodles.

In September 2024, 33 WA growers joined the annual Grower Study Tour, visiting the Japanese market. The group engaged with key Japanese customers and their facilities, reinforcing our strong trading relationship and interdependence.

Regional Exporter Award

For the second consecutive year, CBH 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 a finalist in the Agribusiness, Food and Beverages category.

The award highlights our leadership in the agricultural sector and continued impact in international markets.

CBH Chief Marketing & Trading Officer, Paul Smith, accepted the award from the Premier of Western Australia, Hon Roger Cook MLA.

"This award recognises the collective efforts of everyone across the CBH supply chain, from our up-country operations teams, all the way through to our international grain marketing personnel, for working together to deliver Western Australia's grain to the world," Paul said. "We are proud to represent regional WA on a global stage."

Connecting with our customers

CBH serviced 272 customers across 23 countries.

During the year, M&T visited over 40 customers across various countries including China, Indonesia, Philippines, Korea, Singapore, Vietnam, Indonesia and Japan.

We hosted more than 200 delegates in WA, with visitors representing multi-national grain buyers from more than 10 countries.

These visits play an important role in building and maintaining our trusted partnerships with key customers and industry. They provide the opportunity for customers to appreciate our state's world-class supply chain and high-quality grain products and farmland, while connecting directly with WA growers.

Our focus on direct engagement ensures that CBH remains responsive and attuned to the evolving demands of the global grain market and is well positioned to take advantage of market opportunities that deliver value for growers.

Record harvest shipments

Between October 2023 and January 2024, M&T set a new harvest shipment record with 75 shipments totalling 3.9 million tonnes, exceeding the previous record by 600,000 tonnes. This was driven by carryover from the prior season and the efficient utilisation of our supply chain infrastructure.

Additionally, the Shipping team successfully ran CBH's Fertiliser shipping and execution program, completing 14 fertiliser shipments and transporting a total of 260,000 tonnes.

Shipping emissions trial

We participated in the maiden Blue Visby trial, an innovative global shipping initiative focused on reducing carbon emissions. Conducted in March and April 2024, the trial involved two CBH-chartered vessels and achieved CO_2 savings of up to 28 per cent.

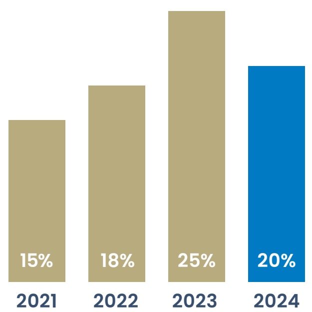
The Blue Visby project optimises ship arrival times, minimising emissions and supporting CBH's ongoing efforts to reduce site-to-customer emissions. The successful trial underscores the potential benefits of this approach for the grain supply chain and will assist us in working with our customers to meet their future emissions reduction targets.

Sustainably-certified grain

International demand for sustainable grain continues to grow. In this reporting period, high international supplies of sustainably-certified grain, particularly in Europe and Ukraine, reduced demand for WA's sustainably-certified grain. More than 1.6 million tonnes of grain shipments were certified as sustainable through the International Sustainable and Carbon Certification (ISCC), representing 20 per cent of all CBH grain shipments.

ISCC-CERTIFIED TONNES SHIPPED BY M&T

(%)



Positive pools performance

There was strong support for pools compared to historical levels, with 18 per cent of M&T's total accumulations coming from pool volumes, despite a year-on-year reduction in production.

Four out of five Deferred Sales Pool (DSP) products were finalised during the year, achieving strong results and outperforming the cash market over the marketing period by $34 to $70 per tonne. The DSP products were opened in late 2022 to meet the then strong demand for the 2022/23 season. The total value paid to growers so far from all DSP products is over $416 million.

All 2023/24 Flexi-starter pools delivered returns that outperformed the average cash price during the marketing window.

Grower uptake of our Pre-Pay Advantage (PPA) product increased, partly due to the smaller 2023/24 harvest. The PPA product was provided to 328 farm businesses, with more than $138 million approved.

Secure online trading

7%
INCREASE IN NEW DAILYGRAIN MEMBERS

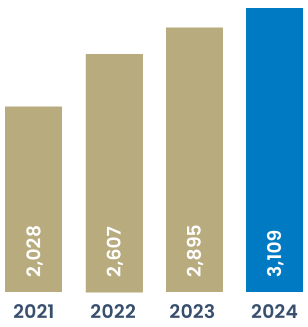
103
GROWERS TRADING ON MARKETPLACE

New
PAYMENT PROTECTION FEATURE DEVELOPED

DailyGrain

Our DailyGrain trading platform provides a secure and low-cost solution for growers to trade their grain online, with confidence.

GROWER MEMBERS



MarketPlace on DailyGrain is a low-cost grain trading platform designed specifically for Western Australian grain growers. Supported and backed by CBH, DailyGrain equips growers with everything they need to trade confidently and securely, ensuring more profits remain with WA growers.

Since CBH acquired DailyGrain in 2010, the platform's purpose has remained consistent in providing growers with timely access to live grain prices. The launch of MarketPlace on DailyGrain in 2018 enabled growers to start trading their grain online and nominating tonnes directly via its connection with LoadNet.

Developing payment protection

Following feedback from growers, the DailyGrain team developed a new feature on MarketPlace designed to safeguard the value of growers' grain during online transactions.

Set to be launched for the 2024/25 harvest, MarketPlace will offer new payment protection features, designed to ensure that growers can confidently trade online. Sellers will have the value of their grain protected and ownership of grain will not pass to buyers until payment has been verified.

These new features, combined with the LoadNet integration, will add further value to the MarketPlace online grain trading platform, allowing growers to set prices, while trading with security and less administration.

Membership growth

DailyGrain's membership continues to grow year-on-year, with more than 3,000 growers, marketers and consultants using the platform. Grower membership has increased to 3,109, representing a seven per cent increase over the previous year.

Being backed by CBH enables LoadNet grower account integration and supports our efforts to maintain the lowest cost model possible, creating and returning more value for grower members.

Improved user experience

We continued to focus on improving the user experience of the platform. In November 2024 we launched a new landing page, which displays critical user information and streamlines some of our most-used processes, such as Offer placement.

MarketPlace on DailyGrain 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.

Delivering value along the grain supply chain

Grain processing investments

We are focused on an investment strategy that provides market opportunities for Western Australian growers' grain.

Blue Lake Milling

Specialising in oat products

$5.9m

BLUE LAKE MILLING'S PROFIT AFTER TAX

Purchased in 2015

Blue Lake Milling (BLM) continued to perform well this year, achieving an after-tax profit of $5.9 million. The performance was mainly driven by stronger volumes and margins in domestic markets.

During the year, Taso Kourou was appointed as the new CEO of Blue Lake Milling. Taso is based in South Australia and has a strong background in operations, supply chain management, and leadership in the food, manufacturing and logistics industries.

BLM began processing rolled oats in South Australia in 1875. In 2006, it 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 distribution of an extensive range of niche cereal flakes, brans, flours and premixes.

Interflour Group

Flour milling and malt production

$6.7m

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

50 per cent stake since 2004

Interflour performed well, delivering an after-tax profit of $6.7 million (CBH's share), up from $0.1 million last year. The improved performance was driven by better profit margins for the business.

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. Annually, it supplies over 1.5 million metric tonnes of milled wheat to the growing South-East Asian market.

Driving value, sustainably

610

SUPPLIERS ENGAGED IN LOCAL GRAIN-GROWING COMMUNITIES

36%

PROCUREMENT SPEND IN LOCAL GRAIN-GROWING COMMUNITIES

20%

OF GRAIN SHIPPED WAS SUSTAINABLY CERTIFIED

28%

PEAK CO_2 SAVINGS IN THE BLUE VISBY SHIPPING TRIAL

62%

OF ALL INDIVIDUAL LOADS TESTED FOR CHEMICAL RESIDUES

Creating a sustainable future

Our sustainability approach balances the need to generate value today, while ensuring a sustainable co-operative for growers and their communities in the future.

This section of the report details the progress we have made towards delivering our sustainability pillars as part of our Sustainability Plan.

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 meet our stakeholders' expectations, increase WA grower competitiveness and ensure our community and environment continues to 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 plan outlines the actions we need to take as a business to integrate sustainability into our day-to-day operations and deliver greater value for WA growers. This includes initiatives to drive efficiencies through investments in technology, developing new processes and leveraging our data to inform decision making.

Markets: Improving market access

Driven by consumer demand and increasing regulation, our customers are continuing to set ambitious sustainability targets within their supply chains. This includes aiming to eliminate modern slavery, reduce chemical usage and achieve carbon reduction.

We are committed to ensuring WA grain growers remain competitive in meeting these expectations and are well positioned to take advantage of new opportunities as they arise.

What we achieved this year

- 20 per cent of grain shipped was sustainably-certified grain
- 62 per cent of all individual loads testing for chemical residue traceability
- up to 28 per cent reduction in CO_2 shipping emissions on the maiden Blue Visby trial

Our Sustainability Plan

Markets

Maintain and open new markets for WA growers

Communities

WA grain growers and our communities are viable for the long term

People

Attract and retain the best talent

Governance

Comprehensive and leading governance practices

Environment

Protect the environment in which we operate

Communities: Supporting strong communities

Our co-operative is strong when our members, growers and their communities are strong. Our Sustainability Plan includes a focus on supporting regional communities with investment in their vitality through our Community Investment Fund, along with strategic actions to increase our spend with local suppliers, supporting the employment these companies provide.

What we achieved this year

- $1.7 million invested in local communities via the Community Investment Fund (CIF)
- started executing a new CIF framework following collaboration with regional communities in WA
- 36 per cent of our procurement spend was in local grain-growing communities
- provided water access to local communities from seven of our receival site dams.

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 2,120 suppliers, including 610 suppliers (29 per cent) in local grain-growing communities. As a percentage of spend, 99 per cent of our total procurement spend was on Australian businesses and entities, 83 per cent on Western Australian businesses and entities, of which, 36 per cent was spent in local grain-growing communities.

Building on this commitment, we published our Responsible and Sustainable Procurement and 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.

People: Attracting and retaining the best talent

A skilled and engaged workforce that is committed to our purpose, is vital to the success of our co-operative.

What we achieved this year

- 6.3 All Injury Frequency Rate
- strengthened approach to ensure a psychologically healthy and safe workplace
- successfully completed the first phase of our Reconciliation Action Plan ('Reflect')
- increased our female workforce to 30 per cent
- further reduced our median gender pay gap to 16 per cent
- developing our regional leaders.

Governance: Transparent and accountable

Our commitment to sustainability is guided by the Board, who monitor performance against the plan through the Health, Safety & Sustainability Committee.

Last year we embedded the Fair Supply platform to help us better understand the modern slavery risks in our business. This year we enhanced our efforts by aligning our approach to industry standards and improving our data.

Our Environment Pillar

By reducing our carbon footprint along the grain supply chain, we support WA growers to meet increasing demand for sustainable products from our customers.

Our Sustainability Plan utilises scenario analysis to assess the potential impact of climate change on our business.

This process considers future grain production forecasts and an environmental scenario covering the potential impacts of global warming of more than two degrees.

CBH continues to plan for a growing WA crop size due to increasing grower productivity, despite the impact of changing environmental conditions, while at the same time working to reduce our emissions.

We are committed to:

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

Progress towards environment targets

Scope 1 & 2

We will reduce our Scope 1 and 2 emissions by reducing energy demand through operational efficiency initiatives and investing in new technologies. Where appropriate, we will utilise renewable energy, including exploring opportunities for self-production through solar and other emerging technologies.

Our emissions were reduced by two per cent this financial year, driven primarily by an increase in renewable energy into the network.

However, our emissions intensity increased. This was due to increased emission-generated activity, such as exporting large volumes of carryover grain from last year, and dividing these emissions with the tonnes received this year.

Site-to-customer net zero

Our 2050 commitment to net-zero site-to-customer emissions sends an important signal to our value chain partners that we are committed to collaborating to achieve this ambitious goal.

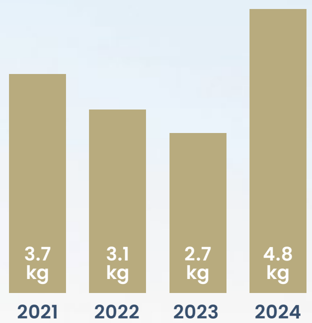
Our significant investments in infrastructure not only increase our capacity, but deliver more efficient transport solutions throughout the supply chain, resulting in lower emissions. The other element of site-to-customer emissions are shipping emissions, which we will begin to address through the Blue Visby solution.

SCOPE 1 & 2 EMISSIONS

(CO_2-e)

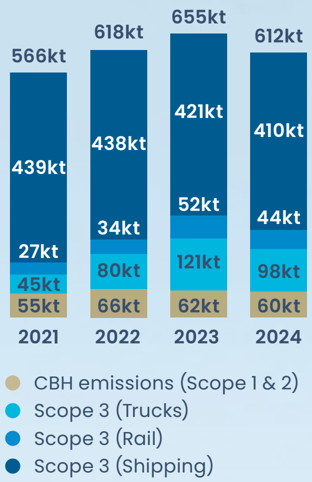
SCOPE 1 & 2 EMISSION INTENSITY

(CO_2-e) / tonne received



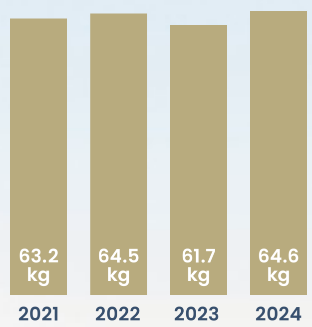
SITE-TO-CUSTOMER EMISSIONS

(CO_2-e)



SITE-TO-CUSTOMER EMISSION INTENSITY

(CO_2-e) / tonne received



Reducing shipping emissions

In June 2023, the co-operative joined a consortium of companies participating in the Blue Visby project researching practical solutions to reduce greenhouse gas emissions from shipping. Conducted in March and April 2024, the trial involved two CBH-chartered vessels and achieved CO_2 savings of up to 28 per cent. The trial provides valuable insights which will be integrated into our shipping operations with minimal disruption, while delivering substantial carbon reduction benefits.

From issue to opportunity

CBH has a considerable waste challenge in the form of waste tarps, wall liners, and biowaste from grain and grain dust. This year we ran several trials to help us understand the ways in which our waste could be used to generate electricity or transformed to create a new product that is useful to CBH.

We looked at the role pyrolysis (burning waste at high temperature with low oxygen levels) could play in producing energy, reducing waste to landfill and reducing emissions when sequestering biochar.

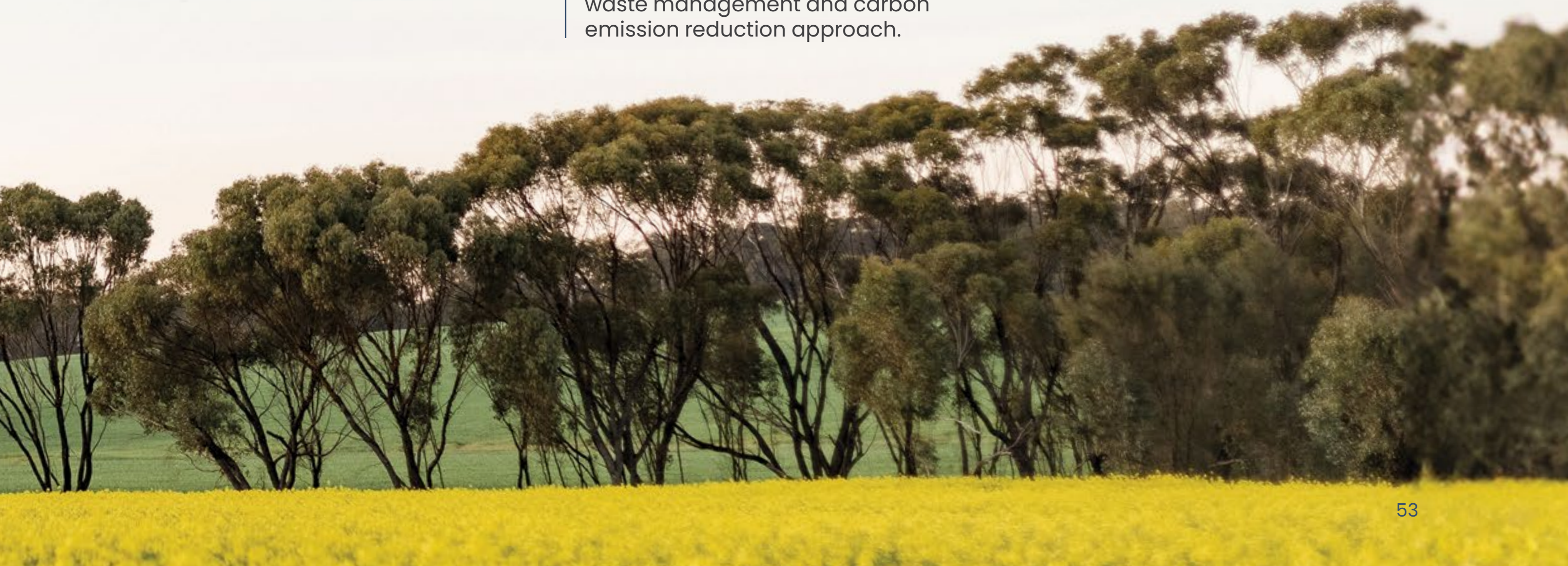
Next we will implement a pilot pyrolysis plant using organic feedstock, review the results and use the learnings to shape our waste management and carbon emission reduction approach.

Our sustainability framework

The Sustainability Appendix of this report outlines key climate risks and opportunities identified as being most significant to CBH's strategy and operations, and the future success of our co-operative.

We report and measure our carbon emissions and energy consumption to the Clean Energy Regulator, under the National Greenhouse and Energy Reporting Scheme.

Our previous voluntary disclosures aligned to the Greenhouse Gas Protocol and Taskforce Climate Related Financial Disclosures. CBH is now well-positioned to respond to changes in mandatory climate-related financial reporting, to be introduced in Australia in 2025. We will continue to refine our approach to sustainability disclosures to ensure compliance, while meeting stakeholder expectations, and maintaining the trust and confidence of our customers.



Empowering our regions

$17.1m

TOTAL INVESTMENT IN OUR REGIONAL COMMUNITIES SINCE 2013

10 years

OF GRASS ROOTS GRANTS

$340,000

DONATED BY GROWERS THROUGH HMMS

$1.7m

INVESTED IN OUR REGIONAL COMMUNITIES THIS YEAR

Committed to community

The Community Investment Fund has been proudly supporting the delivery of services, programs and opportunities for people living in grain-growing regions of Western Australia for more than a decade.

Since the Community Investment Fund began, we have invested over $17.1 million in support of initiatives that contribute to the vitality, development, wellbeing and safety of grain-growing regions, while promoting the agricultural industry and helping to build the capacity of future community and industry leaders.

An exciting new chapter

This year marked the beginning of a new chapter for the Community Investment Fund, with the development of a refreshed framework that will guide our future community investment.

Designed in collaboration with grower members, the new framework is underpinned by our co-operative values and reflects our shared commitment to ensuring the regions where we all live, work and play, continue to thrive for generations to come.

The framework is designed to guide future investment decisions, ensuring a balanced approach that reflects the diverse needs and aspirations of grain-growing communities. It prioritises investment into key areas important to our members, including community wellbeing, agricultural promotion and regional resilience.

With four distinct funding pathways, the framework helps us address immediate needs, while focusing on long-term impact. It supports both local initiatives and broader partnerships that deliver valued services and opportunities for grain-growing communities.

Alongside the refreshed framework, we have increased the size of the Fund to $1.8 million for 2024/25. We will take a planned approach to allocating these additional funds, guided by the framework we have developed together – ensuring our efforts continue to have a positive impact in a sustainable way.

In line with expectations, we are also working to evolve Fund operations and governance to ensure investments are strategic, transparent and deliver meaningful outcomes for grain-growing communities.

Scan the QR code to find out more about the new Community investment Fund framework

Our Community

That's something to celebrate

The Grass Roots Grants program was created to support the unique needs of WA growers' local communities. It provides funding to local groups and activities, so they can get on with the job of volunteering in their communities. Co-ops and community go hand in hand, and we are proud to be working together to strengthen regional communities for future generations.

10 years of Grass Roots Grants

$3.1m

INVESTED IN 10 YEARS

964

EVENTS AND PROJECTS ACROSS WA'S GRAIN-GROWING REGIONS

Investing across our communities

We are proud to support numerous organisations through the Community Investment Fund. Below is a snapshot of some of our partners dedicated to enhancing wellbeing, fostering leadership and building regional resilience in WA's grain-growing communities.

A further $40,000 invested in Clontarf Foundation to provide scholarships and employment pathway opportunities for students in grain-growing regions.

More than $140,000 invested in community sport through partnerships with Country Football WA, Hockey WA, Tennis West, Netball WA and Bowls WA.

More than $280,000 invested in the grain industry through support of the Grower Group Alliance, local grower groups and various industry events.

Supported Royal Flying Doctor Service WA to safely transport 3,007 patients from WA grain-growing areas.

Invested over $280,000 in enhancing the governance and leadership capacity of WA's grain growers and community members.

Extended our Regional Mental Wellness Program, injecting a further $200,000 to increase access to mental health services across grain-growing communities.

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 2024.

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 (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
  - monitoring compliance with legislative, environmental, occupational health and safety and ethical standards
  - 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.

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 build and maintain a strong culture that is aligned with the CBH Group and grower community objectives
- 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.

NAME OF DIRECTOR	DATE FIRST APPOINTED	PERIOD OF OFFICE**	CURRENT TERM COMMENCED	TERM EXPIRES
N A M Browning (Deputy Chair)	23 February 2018	6 years 10 months	23 February 2024	February 2027
M P C Byrne*	17 February 2023	1 year 10 months	17 February 2023	February 2026
M L Caughey	17 February 2023	1 year 10 months	17 February 2023	February 2026
D A Lock*	22 February 2019	5 years 10 months	18 February 2022	February 2025
G R Rowe	8 June 2021	3 years 6 months	23 February 2024	February 2027
P S Sadleir*	25 February 2021	3 years 10 months	23 February 2024	February 2027
J N Seaby	22 February 2019	5 years 10 months	18 February 2022	February 2025
K M Seymour	20 February 2020	4 years 10 months	17 February 2023	February 2026
S R Stead (Chair)	23 February 2015	9 years 10 months	23 February 2024	February 2027
R P Taylor	8 June 2021	3 years 6 months	17 February 2023	February 2026
B D West	18 February 2022	2 years 10 months	18 February 2022	February 2025
H Woodhams	10 August 2020	4 years 4 months	18 February 2022	February 2025

* Independent Director
** Period of office as a Director of CBH as at December 2024

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.

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 10 to 11 of the Annual Report.

Induction of new Directors

All Directors have 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 2024 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 67. 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 seven times during the financial year ended 30 September 2024.

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 2024.

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, including the oversight of the management of workplace health and safety and sustainability risks.

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 2024.

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 2024.

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 four times during the financial year ended 30 September 2024.

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 2024 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 2024 Annual General Meeting, the co-operative's members approved Director remuneration at an aggregate amount of $1,747,893 with effect from 23 February 2024 and $1,870,246 with effect from the 2025 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 63 is the Directors' remuneration for the financial year ended 30 September 2024.

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	233,562	26,016	259,578
Natalie Browning	Deputy Chair	153,937	17,147	171,084
Michael Byrne	Independent Director	116,781	13,008	129,789
Michael Caughey	Director	116,781	13,008	129,789
David Lock	Independent Director; Chair – Audit and Risk Management Committee (i)	148,628	16,556	165,184
Gareth Rowe	Director (i)	116,781	13,008	129,789
Paul Sadleir	Independent Director; Chair – Remuneration and Nomination Committee	141,982	15,815	157,797
Ken Seymour	Director; Chair – Network and Engineering Committee	129,160	14,387	143,547
Jeff Seaby	Director	116,781	13,008	129,789
Royce Taylor	Director	116,781	13,008	129,789
Barry West	Director	116,781	13,008	129,789
Helen Woodhams	Director; Chair – Health, Safety and Sustainability Committee	129,160	14,387	143,547
Total		**1,637,115**	**182,356**	**1,819,471**

(i) In addition to the above, David Lock 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 of $25,659 plus superannuation were paid to each of David Lock and Gareth Rowe

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 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.

Set out on page 64 is the remuneration received by the CEO, CFO and Chiefs of the two key business units for the financial year ended 30 September 2024.

Remuneration received

NAME	TITLE	BASE SALARY $'000	SUPERANNUATION $'000	TOTAL FIXED EMPLOYMENT COST $'000	OTHER BENEFITS[1] $'000
Ben Macnamara	Chief Executive Officer	848	28	876	26
Stewart Hart	Chief Financial Officer	505	28	533	31
Paul Smith	Chief Marketing and Trading Officer	439	28	467	1
Mick Daw	Chief Operations Officer	452	27	479	67

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.

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 2024 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 KRAs to assess performance and grower value created over time.

The CEO's LTI performance period of 1 October 2021 to 30 September 2024 was measured across deliverables in the categories of safety, storage and handling, marketing and trading, fertiliser, and leadership development. In accordance with the terms of the contract of employment and performance against the LTI targets as set by the Board, Ben Macnamara earned a LTI payment of $1,078,320 for the three-year performance period. This is inclusive of amounts accrued and reported in the 2022 and 2023 Annual Reports.

STI targets, level of achievement and actual STIs earned

NAME	TITLE	STI TARGET (% OF BASE SALARY)	STI RESULT (% OF BASE SALARY)	STI ACCRUED $,000
Ben Macnamara	Chief Executive Officer	100.0%	93.0%	798
Stewart Hart	Chief Financial Officer	50.0%	45.0%	228
Paul Smith	Chief Marketing and Trading Officer	50.0%	45.0%	198
Mick Daw	Chief Operations Officer	50.0%	45.0%	204

NAME	TITLE	TYPE OF INCENTIVE	MATURATION DATE	LTI ACCRUED $,000
Ben Macnamara	Chief Executive Officer	LTI	Sep 2024	376

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 employees 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.
- 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 pages 14 and 15 for further information on the Growers' Advisory Council.

Directors' report

For the year ended 30 September 2024

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 2024.

Directors and Company Secretary

The following persons held office as Directors of Co-operative Bulk Handling Limited during the financial year ended 30 September 2024 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
M L Caughey
D A Lock
G R Rowe
P S Sadleir
J N Seaby
K M Seymour
R P Taylor
B D West
H Woodhams

Richard Codling acted as Company Secretary of Co-operative Bulk Handling Ltd for the entire financial year and is responsible for the company secretarial, corporate governance risk and legal functions of the CBH Group. Richard is a qualified lawyer with over 27 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 67 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 2024 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 net profit after income tax of $147,256,000 (2023: profit after income tax of $437,085,000). The earnings were impacted by lower harvest tonnes received of 12.5 million tonnes compared to the prior year's record harvest tonnes (2023: 22.9 million). The Group's result includes a profit after tax of $51,032,000 in the Operations business unit, a $14,768,000 profit after tax recorded by the Marketing and Trading business unit, a profit after tax of $12,595,000 from Grain Processing investments, and franking credit income of $73,501,000 receivable by CBH Ltd, the parent entity.

Operations

The Operations business unit recorded a profit after tax of $51,032,000 (2023: profit after tax of $156,059,000). The lower profit was a direct result of lower Western Australian grain production volumes, with 12.5 million tonnes (2023: 22.9 million tonnes) received into the supply chain. Shipping volumes of 14.7 million tonnes (2023: 19.7 million tonnes) also impacted profitability, noting this reduction was mitigated by the shipment carry over of grain from prior seasons.

	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	9	9	2	2			5	5				
N A M Browning	9	9	2	2	7	7					6	6
M P C Byrne	9	7	2	1	7	7			4	4		
M L Caughey	9	9	2	2					4	4	6	6
D A Lock	9	9	2	2	7	7						
G R Rowe	9	9	2	2	7	7			4	4		
P S Sadleir	9	9	2	2			5	5			6	6
J N Seaby	9	9	2	2			5	5			6	6
K M Seymour	9	9	2	2			5	5			6	6
R P Taylor	9	9	2	2			5	5	4	4		
B D West	9	9	2	2	7	7					6	6
H Woodhams	9	9	2	2	7	7			4	4		

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

Marketing and Trading

The Marketing and Trading business unit recorded a profit after tax of $14,768,000 (2023: profit after tax of $176,316,000). The result was driven by low export margins for key commodities as the business sought to provide the best possible prices to growers, while trading volumes were impacted by the reduction in Western Australian grain production.

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

- Revenue from contracts with customers decreased by 26% to $4,477,069,000 (2023: $6,013,717,000) primarily due to the reduction in volumes in Marketing and Trading, which traded 8.6 million tonnes (2023: 9.4 million tonnes) and lower production volumes resulting in just 12.5 million tonnes of grain being received into the network in 2024 (2023: 22.9 million tonnes).
- The Operations business unit received 12.5 million tonnes of grain into the network during 2024 (2023: 22.9 million tonnes), while bulk exporting 14.7 million tonnes during the financial year (2023: 19.7 million tonnes). Carry over grain in the network at 30 September 2024 was 1.7 million tonnes (2023: 5.5 million tonnes).
- The Marketing and Trading business unit traded 8.6 million tonnes (2023: 9.4 million tonnes) inclusive of pools during the financial year.
- Net operating cash inflow for the year was $941,150,000 (2023: inflow of $412,720,000).
- Group capital expenditure for the year was $458,821,000 (2023: $551,295,000).

Material changes in the state of affairs

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

Material events after year end

Subsequent to 30 September 2024, CBH Grain Pty Ltd negotiated the following facilities with various banks for the acquisition of grain over the 2024/2025 season:

- Syndicated debt of $600,000,000;
- Banking facilities of $1,400,000,000; and
- Trade facilities of $100,000,000.

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

Subsequent to the dividends received from its subsidiaries in the financial year ending 30 September 2024, CBH Ltd, the parent entity, has lodged a claim with the Australian Tax Office for a refund of $73,179,000 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 material 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 Team 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, provide non-audit services to the Group during the financial year. The amounts received or due to be received for non-audit services amounted to $102,153 in 2024 (2023: $104,274).

The Directors are satisfied that the lack of non-audit services performed by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

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 69.

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

S R Stead
Director

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 2024 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

Jane Bailey
Partner
Perth
4 December 2024

Financial Report

30 September 2024

For the year ended 30 September 2024

Consolidated statement of profit or loss and other comprehensive income

	Notes	2024 $'000	2023 $'000
Revenue	5(a)	**4,477,069**	6,013,717
Other income	5(b)	**201,454**	176,995
Raw materials, traded grains and consumables used	6(a)	**(3,212,072)**	(4,086,602)
Employee benefits expense	6(b)	**(291,251)**	(294,774)
Depreciation and amortisation		**(229,096)**	(244,324)
Storage, handling and freight expenses	6(c)	**(402,862)**	(541,322)
Marketing and trading expenses	6(d)	**(255,000)**	(324,492)
Insurance		**(14,149)**	(18,189)
Other expenses	6(e)	**(81,140)**	(87,149)
Interest expense		**(44,133)**	(77,266)
Share of profit/(loss) from associates	12	**6,731**	86
Profit before income tax		**155,551**	516,680
Income tax expense	7	**(8,295)**	(79,595)
Profit attributable to members of Co-operative Bulk Handling Limited		**147,256**	437,085
Other comprehensive income			
Items that will not be reclassified to the profit or loss			
Share of other comprehensive income from associates		**(4)**	(1,566)
Items that may be reclassified subsequently to the profit or loss			
Foreign currency translation (loss)/gain		**(8,819)**	(1,102)
Share of other comprehensive income/(expense) from associates		**5,407**	(1,606)
Cashflow hedge (loss)/gain		**(15,298)**	8,795
Other comprehensive income/(expense) for the year, net of tax		**(18,714)**	4,521
Total comprehensive income/(expense) for the year, attributable to members of Co-operative Bulk Handling Limited		**128,542**	441,606

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

For the year ended 30 September 2024

Consolidated statement of financial position

	Notes	30 September 2024 $'000	30 September 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	18	**253,866**	227,278
Trade and other receivables	13	**396,933**	444,162
Derivative financial instruments	22(d)	**66,993**	139,558
Inventories	14	**345,165**	1,013,530
Income tax receivable		**5,633**	-
Prepayments		**11,955**	10,006
Total current assets		**1,080,545**	1,834,534
Non-current assets			
Trade and other receivables	13	**40,563**	41,909
Investments in associates	12	**137,471**	133,659
Derivative financial instruments	22(d)	**622**	7,234
Property, plant and equipment	8	**2,167,719**	1,874,585
Intangible assets and goodwill	9	**65,930**	60,812
Right-of-use assets	10(a)	**255,116**	295,537
Deferred tax assets	7	**1,114**	-
Total non-current assets		**2,668,535**	2,413,736
Total assets		**3,749,080**	4,248,270
LIABILITIES			
Current liabilities			
Trade and other payables	15	**244,374**	203,517
Interest bearing loans and borrowings	19	**30,000**	521,338
Derivative financial instruments	22(d)	**66,703**	99,359
Income tax payable		**-**	67,360
Provisions	17	**46,870**	41,738
Lease liabilities	10(a)	**63,017**	63,187
Other liabilities	16	**37,615**	113,692
Total current liabilities		**488,579**	1,110,191
Non-current liabilities			
Trade and other payables	15	**448**	429
Interest bearing loans and borrowings	19	**30,000**	-
Derivative financial instruments	22(d)	**3,757**	1,610
Provisions	17	**53,666**	43,422
Deferred tax liability	7	**-**	10,071
Lease liabilities	10(a)	**206,340**	244,799
Total non-current liabilities		**294,211**	300,331
Total liabilities		**782,790**	1,410,522
Net assets		**2,966,290**	2,837,748
EQUITY			
Contributed equity	20(a)	**4**	4
Reserves	20(c)	**2,403,408**	2,127,809
Retained earnings		**562,878**	709,935
Total equity		**2,966,290**	2,837,748

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

For the year ended 30 September 2024

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 2023	4	52,587	2,101,848	(34,750)	9,299	709,935	(1,175)	2,837,748
Profit/(loss) for the year	–	–	–	–	–	147,256	–	147,256
Other comprehensive income/(expense)	–	–	–	(8,819)	(15,298)	–	–	(24,117)
Share of other comprehensive (expense)/income from associates	–	–	–	6,833	(1,426)	(4)	–	5,403
Total comprehensive income/(expense) for the year	**-**	**-**	**-**	**(1,986)**	**(16,724)**	**147,252**	**-**	**128,542**
Transfer (to) reserves / from retained earnings	–	–	294,309	–	–	(294,309)	–	-
At 30 September 2024	**4**	**52,587**	**2,396,157**	**(36,736)**	**(7,425)**	**562,878**	**(1,175)**	**2,966,290**

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

For the year ended 30 September 2024

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) reserves / from 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 2024

Consolidated statement of cash flows

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**4,709,394**	6,780,037
Payments to suppliers and employees		**(3,661,474)**	(6,151,574)
		1,047,920	628,463
Interest received		**29,876**	46,695
Interest and other costs of finance paid		**(44,125)**	(75,214)
Income taxes paid (net)		**(92,521)**	(187,224)
Net operating cash flows	18	**941,150**	412,720
Cash flows from investing activities			
Payments for property, plant and equipment		**(433,010)**	(541,399)
Proceeds from sale of property, plant and equipment		**826**	1,351
Payments for intangible assets		**(14,950)**	(17,821)
Term deposits (net)		**(25)**	30,124
Margin deposits (net)		**31,578**	40,331
Loans repaid by growers		**133,392**	153,947
Loans to growers		**(142,469)**	(151,303)
Repayments from/(loans to) CBH Grain Pools		**27,190**	118,453
Franking credit refund		**644**	83,774
Receipt of asset-related government grants		**7,413**	4,014
Net investing cash flows		**(389,411)**	(278,529)
Cash flows from financing activities			
Proceeds from borrowings		**1,318,601**	2,185,737
Repayment of borrowings		**(1,778,601)**	(2,424,378)
Repayment of lease liabilities		**(64,951)**	(59,458)
Net financing cash flows		**(524,951)**	(298,099)
Net (decrease)/increase in cash and cash equivalents		**26,788**	(163,908)
Cash and cash equivalents at the beginning of the financial year		**227,278**	391,384
Effects of exchange rate changes on cash and cash equivalents		**(200)**	(198)
Cash and cash equivalents at end of year	18	**253,866**	227,278

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

30 September 2024

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 2024 were authorised for issue in accordance with a resolution of the Directors on 4 December 2024.

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 2023 to 30 September 2024.

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 2024 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) Functional and presentation 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 Material 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 material judgements, estimates and assumptions are made, are identified in each applicable note.

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	Fertiliser supply, 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 2024

Notes to the consolidated financial statements

4 Business unit results (continued)

Year ended 30 September 2024	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	447,770	291,042	3,427,299	705,746	858	189,641	(585,287)	4,477,069
Intra-unit revenue	203,187	4,317	35,243	-	124,229	(874)	(366,102)	-
Total business unit revenue	**650,957**	**295,359**	**3,462,542**	**705,746**	**125,087**	**188,767**	**(951,389)**	**4,477,069**
Total business unit results								
Profit/(loss) before tax	51,032	-	21,175	15,143	243,278	(5,129)	(169,948)	155,551
Income tax expense	-	-	(6,407)	(2,548)	-	660	-	(8,295)
Profit/(loss) after tax	**51,032**	**-**	**14,768**	**12,595**	**243,278**	**(4,469)**	**(169,948)**	**147,256**
Other business unit information								
Interest revenue	11,889	317	23,302	13	3,140	461	(7,350)	31,772
Interest expense	(4,079)	(6,639)	(33,756)	(1,483)	(1,187)	(4,340)	7,351	(44,133)
Depreciation and amortisation expense	(150,568)	(61,996)	(466)	(3,445)	(9,926)	(2,695)	-	(229,096)
Unrealised gain/(loss) on financial instruments	112	-	43,444	(375)	(3,090)	(5)	2	40,088
Intra-unit dividend	-	-	-	-	170,750	-	(170,750)	-
Franking credit income	-	-	-	-	73,501	-	-	73,501
Share of profit/(loss) from associates	-	-	-	6,731	-	-	-	6,731
Capital expenditure	396,869	48,115	90	1,751	11,562	434	-	458,821
Assets (excl. investments in associates) (i)	2,250,802	393,651	691,596	488,190	363,501	152,415	(728,546)	3,611,609
Investment in associates	-	-	-	-	-	-	137,471	137,471
Total assets (i)	**2,250,802**	**393,651**	**691,596**	**488,190**	**363,501**	**152,415**	**(591,075)**	**3,749,080**
Total liabilities (i)	**343,544**	**393,651**	**127,271**	**298,145**	**75,953**	**27,446**	**(483,220)**	**782,790**

(i) Total assets and total liabilities balances exclude intercompany funding.

30 September 2024

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)	(2,598)	-	(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 (excl. investments in associates) (i)	1,939,520	411,117	1,483,799	489,778	285,932	137,572	(633,107)	4,114,611
Investment in associates	-	-	-	-	-	-	133,659	133,659
Total assets (i)	**1,939,520**	**411,117**	**1,483,799**	**489,778**	**285,932**	**137,572**	**(499,448)**	**4,248,270**
Total liabilities (i)	**243,596**	**411,117**	**752,210**	**299,493**	**73,340**	**21,357**	**(390,591)**	**1,410,522**

(i) Total assets and total liabilities balances excludes intercompany funding.

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Notes to the consolidated financial statements

5 Revenue and other income

(a) Revenue

	2024 $'000	2023 $'000
Revenue from contracts with customers		
Grain handling services	**419,840**	637,128
Grain freight services	**293,379**	388,158
Grain sales	**3,373,739**	4,543,178
Sales of finished products	**305,685**	316,458
Management fees	**14,794**	19,368
Interest	**31,772**	48,840
Other revenue	**37,860**	60,587
Total revenue	**4,477,069**	6,013,717

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 material.

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).

Grain sales includes mark-to-market movements on the physical sales contracts that do not meet the own use exception up to the point of settlement.

(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.

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Notes to the consolidated financial statements

5 Revenue and other income (continued)

(b) Other income

	2024 $'000	2023 $'000
Realised gains/(losses) on:		
Foreign currency exchange contracts, swaps and options (i)	**1,662**	(157,277)
Commodity derivatives	**88,088**	190,844
Other foreign currency exchange (loss)/gain	**(15,381)**	22,906
Unrealised gains/(losses) on:		
Foreign currency exchange contracts, swaps and options (i)	**59,995**	125,976
Commodity derivatives	**(15,930)**	(92,116)
Other foreign currency exchange gain/(loss)	**(3,977)**	(6,337)
Net (loss)/gain on disposal of property, plant and equipment	**(708)**	979
Other income	**14,204**	8,246
Franking credits income (ii)	**73,501**	83,774
	201,454	176,995

(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

	2024 $'000	2023 $'000
Fair value change on traded inventory at year end	**(83,694)**	254,202
Costs of goods sold	**3,293,751**	3,829,796
Changes in other inventories	**2,015**	2,604
	3,212,072	4,086,602

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Notes to the consolidated financial statements

6 Expenses (continued)

(b) Employee benefits expense

	2024 $'000	2023 $'000
Remuneration, bonuses and on-costs	**265,496**	269,682
Defined contribution superannuation	**25,755**	25,092
	291,251	294,774

(c) Storage, handling and freight expenses

	2024 $'000	2023 $'000
Storage and handling	**168,215**	213,557
Freight (i)	**234,647**	327,765
	402,862	541,322

(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

	2024 $'000	2023 $'000
Freight (i)	**196,664**	257,714
Demurrage (ii)	**8,405**	9,039
Port and export charges	**21,896**	25,996
Storage and handling	**18,090**	21,040
Other (iii)	**9,945**	10,703
	255,000	324,492

(i) Freight expenses include the amount that the Group pays for ocean and domestic freight.
(ii) Demurrage expense is shown net of costs recovered.
(iii) Other costs include broker costs, quality testing and assurance services.

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Notes to the consolidated financial statements

6 Expenses (continued)

(e) Other expenses

	Notes	2024 $'000	2023 $'000
Professional and consultancy fees		**18,050**	16,184
Software and licences		**19,176**	17,127
Net movement in provision for expected credit loss	13	**(1,178)**	528
Rent expense		**5,963**	5,780
Property rates and taxes		**7,488**	6,140
Sponsorship and donations		**2,038**	1,897
Rehabilitation costs		**7,532**	3,990
Travel and employee related expense		**13,444**	10,263
Impairment costs (i)		**-**	14,923
Other		**8,627**	10,317
		81,140	87,149

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

7 Income tax

Major components of income tax (benefit)/expense for the year ended 30 September 2024 and the year ended 30 September 2023 are:

	2024 $'000	2023 $'000
Statement of profit or loss and other comprehensive income		
Current income tax		
Current income tax expense	**19,543**	120,890
Adjustments in respect of current income tax of previous years	**(63)**	(268)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(11,312)**	(41,321)
Adjustments in respect of deferred income tax of previous years	**127**	294
Income tax expense	**8,295**	79,595

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Notes to the consolidated financial statements

7 Income tax (continued)

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

	2024 $'000	2023 $'000
Profit/(loss) before income tax expense	**155,551**	516,680
At the Group's statutory income tax rate of 30%	**46,665**	155,004
Parent entity (profit)/loss (tax exempt)	**(37,309)**	(75,484)
Other assessable income	**39**	38
Non-deductible expenses	**49**	210
Share of equity accounted results of associates	**(2,019)**	(26)
Difference in effective tax rate of overseas subsidiary	**829**	(149)
Prior year adjustments	**41**	2
Income tax expense	**8,295**	79,595

Deferred tax	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	30 September 2024 $'000	30 September 2023 $'000	30 September 2024 $'000	30 September 2023 $'000
Deferred income tax assets				
Financial liabilities	**18,049**	31,902	**13,853**	60,027
Plant and equipment	**80**	64	**(16)**	46
Accruals and provisions	**3,517**	3,104	**(413)**	(131)
Other	**2,426**	1,697	**(729)**	(464)
Gross deferred income tax assets	**24,072**	36,767	**12,695**	59,478
Deferred income tax liabilities				
Financial assets	**(18,653)**	(40,933)	**(22,280)**	(49,988)
Plant and equipment	**(1,451)**	(1,513)	**(62)**	686
Inventories	**(980)**	(1,575)	**(595)**	(49,038)
Prepayments	**(27)**	(20)	**7**	20
Intangible assets	**(124)**	(289)	**(165)**	(165)
Other	**(1,723)**	(2,508)	**(785)**	(1,369)
Gross deferred income tax liabilities	**(22,958)**	(46,838)	**(23,880)**	(99,854)
Net deferred tax asset/(liability)	**1,114**	(10,071)		
Deferred tax (benefit)/expense			**(11,185)**	(40,376)
Deferred tax (benefit)/expense recognised in statement of profit or loss			**(11,185)**	(40,376)

30 September 2024

Notes to the consolidated financial statements

7 Income tax (continued)

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
- 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.

Material 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.

Impact of Pillar II Legislation

The Pillar Two legislation was enacted in Japan during the financial year ended 30 September 2024. The Group has made assessment on the impact and concluded no material consequences from the application of the Pillar Two rules to the Group.

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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 2024	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 2023	2,003,432	1,010	32,315	1,426,380	72,246	355,973	3,891,356
Additions	58,046	2	1,844	28,042	4,922	351,015	443,871
Adjustments to site decommissioning asset	3,395	-	-	-	-	-	3,395
Disposals (i)	(52,393)	-	(14,072)	(17,684)	(1,193)	-	(85,342)
Transfers from work-in-progress	95,897	-	2,974	25,757	489	(125,117)	-
At 30 September 2024	2,108,377	1,012	23,061	1,462,495	76,464	581,871	4,253,280
Accumulated depreciation and impairment							
At 1 October 2023	(1,084,503)	(369)	(25,688)	(855,175)	(51,036)	-	(2,016,771)
Depreciation expense	(89,395)	(52)	(1,803)	(57,272)	(4,084)	-	(152,606)
Disposals (i)	52,375	-	14,063	16,185	1,193	-	83,816
At 30 September 2024	(1,121,523)	(421)	(13,428)	(896,262)	(53,927)	-	(2,085,561)
Net book value at 30 September 2024	**986,854**	**591**	**9,633**	**566,233**	**22,537**	**581,871**	**2,167,719**

(i) Included in disposals are scrapping of fully written down assets $52,222,854.

Notes to the consolidated financial statements

8 Property, plant and equipment (continued)

Carrying amounts of property, plant and equipment (continued)

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.

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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.

Material 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. No impairment indicator identified for the financial period ending 30 September 2024.

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 $94,331,215 (2023: $99,053,371) 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.

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Notes to the consolidated financial statements

9 Intangible assets and goodwill

30 September 2024	Goodwill $'000	Software costs $'000	Software development in progress $'000	Customer contracts $'000	Other $'000	Total $'000
Cost						
At 1 October 2023	26,959	185,948	13,475	5,500	482	232,364
Additions	-	10,415	4,535	-	-	14,950
Disposal and write-offs	-	(1,275)	-	-	(34)	(1,309)
Transfers from work-in-progress	-	4,205	(4,205)	-	-	-
At 30 September 2024	**26,959**	**199,293**	**13,805**	**5,500**	**448**	**246,005**
Accumulated amortisation						
At 1 October 2023	-	(167,014)	-	(4,538)	-	(171,552)
Amortisation	-	(9,247)	-	(550)	-	(9,797)
Disposal	-	1,274	-	-	-	1,274
At 30 September 2024	**-**	**(174,987)**	**-**	**(5,088)**	**-**	**(180,075)**
Net book value at 30 September 2024	**26,959**	**24,306**	**13,805**	**412**	**448**	**65,930**

30 September 2023	Goodwill $'000	Software costs $'000	Software development in progress $'000	Customer contracts $'000	Other $'000	Total $'000
Cost						
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)	-	-	-
30 September 2023	**26,959**	**185,948**	**13,475**	**5,500**	**482**	**232,364**
Accumulated amortisation						
1 October 2022	-	(158,131)	-	(3,988)	-	(162,119)
Amortisation	-	(8,883)	-	(550)	-	(9,433)
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 2024

Notes to the consolidated financial statements

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.

Material 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.

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Notes to the consolidated financial statements

9 Intangible assets and goodwill (continued)

Material accounting judgements, estimates and assumptions (continued)

Impairment of goodwill (continued)

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.

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 material effect on the amounts recognised in financial statements.

<u>Determination whether configuration and customisation services are distinct from the SaaS access</u>

- 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 materially 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 material 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.

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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 2024	Land and buildings $'000	Rail infrastructure $'000	Vehicles $'000	Other $'000	Total $'000
Right-of-use assets					
Cost					
At 1 October 2023	114,679	109,454	200,796	297	425,226
Additions	1,307	-	11,828	-	13,135
Disposals	(657)	-	(6,113)	-	(6,770)
Lease remeasurement	4,952	2,848	5,393	-	13,193
Foreign currency translation	(27)	-	-	-	(27)
At 30 September 2024	**120,254**	**112,302**	**211,904**	**297**	**444,757**
Accumulated depreciation					
At 1 October 2023	(23,742)	(57,928)	(47,789)	(230)	(129,689)
Depreciation	(7,552)	(16,566)	(42,539)	(36)	(66,693)
Disposals	633	-	6,089	-	6,722
Foreign currency translation	19	-	-	-	19
At 30 September 2024	**(30,642)**	**(74,494)**	**(84,239)**	**(266)**	**(189,641)**
Carrying amount at 30 September 2024	**89,612**	**37,808**	**127,665**	**31**	**255,116**

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**

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Notes to the consolidated financial statements

10 Leases (continued)

(a) Reconciliation of carrying amounts (continued)

Lease liabilities	**2024 $'000**	**2023 $'000**
At 1 October	**307,986**	319,290
Additions	**13,135**	34,162
Repayments	**(73,447)**	(68,561)
Lease remeasurements	**13,193**	14,253
Interest expense	**8,496**	9,103
Disposals	**-**	(255)
Foreign currency translation	**(6)**	(6)
Carrying amount at 30 September	**269,357**	307,986
At 30 September		
Current	**63,017**	63,187
Non-current	**206,340**	244,799
Carrying amount at 30 September	**269,357**	307,986

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.

	2024 $'000	**2023 $'000**
Expenses relating to short-term leases	**5,963**	9,104
Variable lease payments	**11,451**	14,868
Total	**17,414**	23,972

The total cash out flow for leases in 2024 was $90,861,000 (2023: $92,533,000).

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.

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Notes to the consolidated financial statements

10 Leases (continued)

Recognition and measurement (continued)

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.

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 - 6 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.

Material 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).

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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	
		2024 %	2023 %
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**	100

(i) These entities are parties to the Deed of Cross Guarantee and members of the Closed Group as at 30 September 2024. Refer to Note 25.

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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.

Material 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 material 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 2024 %	Ownership interest held by the Group 2023 %	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% (2023: 46%) of the consolidated Interflour Group's net assets.

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Notes to the consolidated financial statements

12 Investments in associates (continued)

	2024 $'000	2023 $'000
Carrying amount by entity		
Carrying amount of the Group's interest in Interflour Group	**137,471**	133,659

	2024 $'000	2023 $'000
Share of profit/(loss) from associates by entity		
Interflour Group (see details of material associates below)	**6,731**	86
Total share of profit/(loss) from associate	**6,731**	86

Details of material associates

Interflour Group	2024 $'000	2023 $'000
Movement in carrying amount		
Carrying amount at the beginning of the financial year	**133,659**	129,964
Share of associate profit/(loss) after income tax (i)	**6,731**	86
Share of associates' movement in reserves (ii)	**5,403**	(3,172)
Unrealised foreign exchange translation movements (iii)	**(8,322)**	(639)
Change in associate's effective interest in its subsidiaries (iv)	**-**	7,420
Carrying amount at the end of the financial year	**137,471**	133,659

(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) In 2023, 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. The change reflects IFG's acquisition of 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.

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Notes to the consolidated financial statements

12 Investments in associates (continued)

Details of material associates (continued)

	Interflour Group	
	2024 $'000	**2023 $'000**
Current assets	**458,635**	440,176
Non-current assets	**348,089**	361,507
Current liabilities	**(314,958)**	(294,676)
Non-current liabilities	**(261,702)**	(287,380)
Net assets	**230,064**	219,627
Net assets (50%)	**115,032**	109,814
Non-controlling interests (50%)	**(9,577)**	(9,226)
Goodwill	**15,755**	16,810
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	**137,471**	133,659
Revenue (100%)	**1,170,574**	1,314,193
Profit/(loss) (100%)	**13,463**	172
Other comprehensive income/(expense) (100%)	**10,806**	8,495
Total comprehensive income/(expense) (100%)	**24,269**	8,667

Loan to associate

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

	2024 $'000	**2023 $'000**
Unsecured interest-free USD-denominated loan (Note 13)	**41,913**	44,145

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 7.0%.

When applying the effective interest method, interest revenue is recognised in the profit or loss on a monthly basis.

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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.

Material 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 2024.

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.

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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

	2024			2023		
	Current $'000	**Non-current $'000**	**Total $'000**	**Current $'000**	**Non-current $'000**	**Total $'000**
Trade receivables	**232,869**	**-**	**232,869**	248,528	-	248,528
Loans to growers	**116,362**	**-**	**116,362**	106,426	-	106,426
Margin deposits	**31,242**	**-**	**31,242**	62,821	-	62,821
Term deposits	**4,700**	**-**	**4,700**	4,675	-	4,675
Other receivables	**14,021**	**-**	**14,021**	24,306	-	24,306
Loan to associate (Note 12)	**-**	**41,913**	**41,913**	-	44,145	44,145
Provision for credit loss	**(2,261)**	**(1,350)**	**(3,611)**	(2,594)	(2,236)	(4,830)
	396,933	**40,563**	**437,496**	444,162	41,909	486,071

The ageing analysis of trade and other receivables is as follows:

As at 30 September 2024	**Weighted average loss rate %**	**Gross carrying amount $'000**	**Provision for credit loss $'000**
Not past due	0.65	430,734	(2,779)
1 - 30 days overdue	3.16	4,506	(142)
31 - 60 days overdue	1.66	1,685	(28)
61 - 90 days overdue	5.19	877	(46)
More than 90 days overdue	18.64	3,305	(616)
		441,107	(3,611)

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)

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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 financial product (Pre-pay Advantage) 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 $116,362,000 (2023: $106,426,000). The loan balance related to CBH Grain Pools amounted to a payable of $37,682,000 (2023: payable of $10,493,000) and has been recorded under sundry payables (Note 15).

During the year, the interest rates charged on grower finance ranged from 5.95% to 9.45% (2023: 4.25% to 7.55%).

(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: 4.65% (2023: 5.15%), Canadian Dollars: 3.25% (2023: 4.00%), Euro: 2.62% (2023: 3.08%), Australian Dollars: 3.70% (2023: 3.45%).

(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 3.86% average interest rate (2023: 3.24%), in US Dollars at 3.47% average interest rate (2023: 5.16%), and in Hong Kong Dollars at 0.93% average interest rate (2023: 0.68%).

(v) Provision for credit loss

The provision for credit loss amounted to $3,611,000 (2023: $4,830,000). 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.

Material 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:

	2024 $'000	**2023 $'000**
At 1 October	**4,830**	4,318
Bad debt written off	**(41)**	(16)
Net movement in provision for expected credit loss	**(1,178)**	528
At 30 September	**3,611**	4,830

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Notes to the consolidated financial statements

14 Inventories

	2024 $'000	2023 $'000
At fair value less cost of disposal:		
Traded grain	**266,502**	954,284
At lower of cost and net realisable value:		
Raw materials and stores	**41,531**	41,849
Finished goods	**37,132**	17,397
	78,663	59,246
Total inventory	**345,165**	1,013,530

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.

Material 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.

	2024 $'000	2023 $'000
Fair Value Measurement		
Level 2	**234,079**	864,746
Level 3	**32,423**	89,538
	266,502	954,284

A change in the Level 2 or 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.

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Notes to the consolidated financial statements

14 Inventories (continued)

The following shows the net changes in fair value of Level 3 inventory:

	2024 $'000	2023 $'000
At 1 October	**89,538**	75,310
Purchases	**96,055**	189,802
Sales	**(164,460)**	(158,535)
Written off	**(339)**	(195)
Unrealised change in fair value	**11,629**	(16,844)
At 30 September	**32,423**	89,538

15 Trade and other payables

	2024 $'000	2023 $'000
Current		
Trade payables	**107,271**	101,921
Accrued expenses	**86,413**	76,144
Sundry payables	**50,690**	25,452
	244,374	203,517
Non-current		
Other payables	**448**	429

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.

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Notes to the consolidated financial statements

16 Other Liabilities

	2024 $'000	2023 $'000
Current		
Deferred revenue (i)	**21,562**	101,492
Freight fund liability (ii)	**16,053**	12,200
	37,615	113,692

(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 2023	46,247	38,913	85,160
Arising during the year	22,001	-	22,001
Remeasurement during the year	-	-	-
Utilised	(18,104)	-	(18,104)
Unwinding of discount	-	11,479	11,479
30 September 2024	**50,144**	**50,392**	**100,536**

	Employee benefits provision $'000	Site rehabilitation provision $'000	Total $'000
30 September 2024			
Current	41,996	4,874	46,870
Non-current	8,148	45,518	53,666
	50,144	**50,392**	**100,536**
30 September 2023			
Current	39,297	2,441	41,738
Non-current	6,950	36,472	43,422
	46,247	**38,913**	**85,160**

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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 material 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.

Material 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.

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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

	2024 $'000	**2023 $'000**
Cash at bank and on hand	**153,095**	81,718
Deposits at call	**100,771**	145,560
	253,866	227,278

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 4.93% (2023: 4.77%) and in US Dollars at an average interest rate of 5.08% (2023: none).

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

	2024 $'000	**2023 $'000**
Reconciliation of net profit after tax to net cash flows from operations:		
Net profit/(loss) after income tax expense	**147,256**	437,085
Adjustments to reconcile profit after tax to net cash flows:		
Depreciation and amortisation	**229,096**	244,324
Net profit on disposal of property, plant and equipment	**604**	(1,016)
Unrealised loss on forward physical contracts	**74,956**	-
Non-cash movement in site rehabilitation provision	**7,277**	2,044
Non-cash movements in capital works in progress	**1,617**	15,878
Share of associates (profit)/loss	**(6,731)**	(86)
Unrealised (gain)/loss on foreign exchange and derivatives	**(40,088)**	(27,523)
Income tax expense/(benefit)	**8,295**	79,595
Net finance costs	**12,361**	28,426
Impairment loss/(reversal) on trade and other receivables	**(1,154)**	528
Receipt of asset-related government grants	**(7,413)**	(4,014)
Other non-cash items	**1,245**	(1,773)

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Notes to the consolidated financial statements

18 Cash and cash equivalents (continued)

(a) Cash flow reconciliation (continued)

	2024 $'000	2023 $'000
Working capital adjustments:		
(Increase)/decrease in inventories	**668,364**	(141,347)
(Increase)/decrease in trade and other receivables	**24,655**	104,501
(Increase)/decrease in prepayments	**(1,954)**	(4,249)
Increase/(decrease) in trade and other payables	**2,865**	(56,565)
Increase/(decrease) in provisions	**3,390**	2,552
Increase/(decrease) in other liabilities	**(76,077)**	33,877
Other adjustments:		
Interest received	**29,876**	46,695
Interest paid	**(44,125)**	(75,214)
Income tax paid	**(92,521)**	(187,224)
Franking credit refund	**(644)**	(83,774)
Net cash inflow/(outflow) from operating activities	**941,150**	412,720

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

	2024 $'000	2023 $'000
Secured bank loans (current)	**30,000**	521,338
Secured bank loans (non-current)	**30,000**	-
	60,000	521,338

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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 2023	**521,338**
Proceeds from borrowings	1,318,601
Repayments from borrowings	(1,778,601)
Net cash flow on borrowings	(460,000)
Other non-cash movements	(1,338)
As at 30 September 2024	**60,000**

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 covenants:

(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.

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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	-	16/10/2024
CBH Grain Pty Ltd Facility	200,000	-	16/10/2024
CBH Grain Pty Ltd Facility	100,000	-	16/10/2024
CBH Grain Pty Ltd Facility	150,000	-	16/10/2024
CBH Grain Pty Ltd Facility	100,000	-	16/10/2024
CBH Grain Pty Ltd Facility	100,000	-	16/10/2024
Total	**750,000**	**-**	

The facilities are a combination of bilateral term loans and trade facilities with total facility limits of $750,000,000. As at 30 September 2024, $nil 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 5.19% (2023: 4.27%).

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	75,000	-	25/06/2027
CBH Ltd Facility	75,000	30,000	26/06/2025
CBH Ltd Facility	75,000	30,000	26/06/2026
CBH Ltd Facility	75,000	-	25/06/2027
Total	**300,000**	**60,000**	

The facilities are bilateral term loans with total facility limits of $300,000,000. As at 30 September 2024, $60,000,000 of the loans were drawn down to fund the Group's Network Strategy Investment.

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 5.19% (2023: 4.26%).

(f) Defaults and breaches

During the current year, there were no defaults or breaches on any of the loans.

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Notes to the consolidated financial statements

20 Contributed equity and reserves

(a) Share capital

(i) Ordinary Shares

	2024 $	2023 $
Shares Issued	**3,564**	3,716
	3,564	3,716

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 2022	1,930	1,592	3,522	2.00	3,860
Shares issued (i)	-	137	137	-	-
Shares cancelled (ii)	(72)	(65)	(137)	-	(144)
At 1 October 2023	**1,858**	**1,664**	**3,522**	**2.00**	**3,716**
Shares issued (i)	-	106	106	-	-
Shares cancelled (ii)	(76)	(56)	(132)	-	(152)
At 30 September 2024	**1,782**	**1,714**	**3,496**	**2.00**	**3,564**

(i) During the current year 106 ordinary shares (2023: 137) were issued and remained unpaid as at 30 September 2024. 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 1,714 (2023: 1,664).

(ii) During the year 132 ordinary shares (76 paid and 56 unpaid) were cancelled through failure to meet the Active Membership Requirements under Rule 4 of the Co-operative's Rules (2023: 137 ordinary shares, 72 paid and 65 unpaid) and no shares were cancelled due to member resignation (2023: 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)

	2024 $'000	2023 $'000
Profit/(loss) after tax (A)	**147,256**	437,086
Opening capital	**2,837,748**	2,388,722
Closing capital	**2,966,290**	2,837,748
Average capital (B)	**2,902,019**	2,613,235
Return on average equity (A/B)	**5.1%**	16.7%
Total equity (C)	**2,966,290**	2,837,748
Total assets (D)	**3,749,080**	4,248,270
Equity to assets ratio (C/D)	**79.1%**	66.8%

(c) Reserves

	2024 $'000	2023 $'000
Capital levy reserve	**52,587**	52,587
General reserve	**2,396,157**	2,101,848
Foreign currency translation reserve	**(36,736)**	(34,750)
Acquisition reserve	**(1,175)**	(1,175)
Cash flow hedge reserve	**(7,425)**	9,299
	2,403,408	2,127,809

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.

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Notes to the consolidated financial statements

21 Financial instruments (continued)

At 30 September 2024	Amortised Cost $'000	FVTPL (i) $'000	Total $'000
Assets			
Cash and cash equivalents	253,866	–	253,866
Trade and other receivables	429,283	–	429,283
Derivative financial instruments	–	67,615	67,615
Total current and non-current financial assets	**683,149**	**67,615**	**750,764**
Liabilities			
Trade and other payables	241,550	–	241,550
Interest bearing loans and borrowings	60,000	–	60,000
Derivative financial instruments	–	70,460	70,460
Lease liabilities	269,357	–	269,357
Total current and non-current financial liabilities	**570,907**	**70,460**	**641,367**

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**

(i) Fair value through profit or loss.

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Notes to the consolidated financial statements

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.

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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"), the 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.

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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 pre-tax 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 price 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 difficulty in recognising market illiquidity risks and tail risks. Given 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.

	2024 $'000	**2023 $'000**
VaR at 30 September	**(8,780)**	(22,340)
Average VaR during the year	**(17,020)**	(37,388)

(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.

(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 (AUD). 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 significant 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.

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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 2024	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	58,164	4,092	5,742	9,161	477	77,636
Trade and other receivables	134,428	4,779	33,085	2,810	13	175,115
Derivative financial assets	49,891	1,549	9,371	3,927	-	64,738
	242,483	**10,420**	**48,198**	**15,898**	**490**	**317,489**
Financial liabilities						
Derivative financial liabilities	25,329	859	10,726	1,697	-	38,611
Trade and other payables	22,384	81	365	1,816	290	24,936
Lease liabilities	-	-	-	12	18	30
	47,713	**940**	**11,091**	**3,525**	**308**	**63,577**
Net exposure	**194,770**	**9,480**	**37,107**	**12,373**	**182**	**253,912**

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**

* Other includes exposure to CHF, CNY, GBP, HKD, NZD and SGD.

Spot rates on 30 September 2024:
USD 0.6913, CAD 0.9350, EUR 0.6208, JPY 99.3049, CHF 0.5846, CNY 4.8520, GBP 0.5169, HKD 5.3735, NZD 1.0888, SGD 0.8884

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

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Notes to the consolidated financial statements

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:

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	**253,866**	227,278
Term deposits	**4,700**	4,675
Loans to growers	**116,362**	106,426
Margin deposits	**31,242**	62,821
Other loans	**300**	300
	406,470	401,500
Financial liabilities		
Interest bearing loans and borrowings	**(60,000)**	(521,338)
Loans from CBH Grain Pools	**(37,682)**	(10,493)
	(97,682)	(531,831)
Net exposure	**308,788**	(130,331)

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 increase profit before tax for the year by $3,088,000 (2023: reduce $1,303,000). A decrease of 100 basis points in underlying interest rates would reduce profit before tax for the year by $3,088,000 (2023: increase $1,303,000). 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.

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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 down payment, 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 $8,213,000 (2023: $19,689,000) which is part of other receivables (Note 13).

Below is an analysis of credit risk exposure net of credit loss provisions by counterparty type.

	2024 $'000	**2023 $'000**
Grain Storage, Handling and Freight: Growers	**79,906**	16,223
Grain Storage, Handing and Freight: Non-growers	**25,297**	35,099
Marketing and Trading: Growers	**115,299**	105,771
Marketing and Trading: Non-growers	**141,717**	238,120
Grain Processing: Non-growers	**17,579**	21,294
Associate company - Interflour Group Pte Limited	**40,563**	41,909
Other: Growers	**3,699**	5,697
Other: Non-growers	**5,223**	2,269
	429,283	466,382

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.

30 September 2024

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 2024	Weighted average loss rate %	Gross carrying amount $'000	Credit loss $'000	Net carrying amount $'000
Assigned credit rating				
AAA	-	73,564	-	73,564
A+	0.01	33,490	(4)	33,486
A	-	32,336	-	32,336
A-	0.02	10,608	(2)	10,606
BBB+	0.02	3,849	(1)	3,848
BBB	0.02	3,153	(1)	3,152
BBB-	-	122	-	122
B	1.15	274,037	(3,154)	270,883
CCC/C	25.87	1,735	(449)	1,286
Total	**0.83**	**432,894**	**(3,611)**	**429,283**

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**

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Notes to the consolidated financial statements

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 2024	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	60,000	63,757	1,584	31,087	31,086	-
Trade and other payables	241,550	242,305	241,857	-	448	-
Lease liabilities	269,357	323,346	38,576	33,369	152,169	99,232
Total non-derivatives	**570,907**	**629,408**	**282,017**	**64,456**	**183,703**	**99,232**
Derivative financial liabilities						
(inflow)	(1,425,479)	(1,425,479)	(1,380,217)	(36,447)	(8,815)	-
outflow	1,495,939	1,495,939	1,439,428	43,939	12,572	-
Net derivative financial liabilities	**70,460**	**70,460**	**59,211**	**7,492**	**3,757**	-
	641,367	**699,868**	**341,228**	**71,948**	**187,460**	**99,232**

30 September 2024

Notes to the consolidated financial statements

22 Financial risk management (continued)

(c) Liquidity risk (continued)

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**

(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 material 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 twenty months. Movements in the fair value of these derivatives are recognised in the profit or loss. The net fair value at 30 September 2024 was an unrealised liability of $2,845,000 (2023: $45,823,000 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.

Material 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 material when there is increased market volatility. Physical positions

30 September 2024

Notes to the consolidated financial statements

22 Financial risk management (continued)

(d) Fair value measurements (continued)

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.

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 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Current Assets				
Forward foreign currency exchange contracts, swaps and options	-	38,214	-	38,214
Commodity futures and options	6,551	-	-	6,551
Forward commodity sale and purchase contracts	-	17,973	4,255	22,228
	6,551	**56,187**	**4,255**	**66,993**
Non-current Assets				
Forward foreign currency exchange contracts, swaps and options	-	300	-	300
Commodity futures and options	6	-	-	6
Forward commodity sale and purchase contracts	-	316	-	316
	6	**616**	**-**	**622**
Current Liabilities				
Forward foreign currency exchange contracts, swaps and options	-	16,203	-	16,203
Commodity futures and options	2,193	-	-	2,193
Forward commodity sale and purchase contracts	-	42,220	6,087	48,307
	2,193	**58,423**	**6,087**	**66,703**
Non-current Liabilities				
Forward foreign currency exchange contracts, swaps and options	-	2,745	-	2,745
Commodity futures and options	195	-	-	195
Forward commodity sale and purchase contracts	-	210	607	817
	195	**2,955**	**607**	**3,757**

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Notes to the consolidated financial statements

22 Financial risk management (continued)

(d) Fair value measurements (continued)

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**

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 2023	(5,098)
Net movement taken to profit or loss	2,659
30 September 2024	**(2,439)**

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 2024

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

	2024 $'000	2023 $'000
Revenue	**975,741**	1,259,414
Other income (i)	**259,595**	100,172
Employee benefits expense	**(247,418)**	(253,411)
Depreciation and amortisation	**(223,294)**	(238,444)
Storage, handling and freight expenses	**(371,698)**	(503,745)
Insurance	**(13,843)**	(17,843)
Other expenses	**(74,580)**	(80,248)
Interest expense	**(10,194)**	(11,644)
Net Profit	**294,309**	254,251
Other comprehensive income **Items that may be reclassified subsequently to the profit and loss**		
Cashflow hedge (loss)/gain (ii)	**(15,298)**	8,795
Other comprehensive income for the year	**(15,298)**	8,795
Total comprehensive income/(expense) for the year	**279,011**	263,046

(i) Included in the Parent entity other income is a fully franked dividend of $170,750,000 (2023: $1,500,000) received from CBH's subsidiaries, also included in the other income is $73,501,242 in franking credit refunds (2023: $83,773,899) in relation to fully franked dividends from subsidiaries. Franking credits are recognised on the date on which right to receive payment is established.

(ii) During the current and prior 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.

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Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(b) Statement of financial position - Parent

	2024 $'000	**2023 $'000**
ASSETS		
Current assets		
Cash and cash equivalents	**133,956**	172,907
Trade and other receivables	**112,600**	56,758
Derivative financial instruments	**5,191**	4,546
Inventories	**34,777**	33,970
Loans to controlled entities	**57,031**	61,842
Prepayments	**10,443**	8,446
Total current assets	**353,998**	338,469
Non-current assets		
Trade and other receivables	**40,563**	41,909
Derivative financial instruments	**249**	5,804
Investments in associates	**136,935**	136,935
Investments in controlled entities	**139,496**	139,496
Property, plant and equipment	**2,129,418**	1,835,967
Intangible assets and goodwill	**37,336**	31,076
Right-of-use assets	**250,850**	290,540
Total non-current assets	**2,734,847**	2,481,727
Total assets	**3,088,845**	2,820,196
LIABILITIES		
Current liabilities		
Trade and other payables	**153,408**	141,391
Lease liabilities	**60,829**	61,269
Interest bearing loans and borrowings	**30,000**	-
Loans from controlled entities	**17,600**	15,730
Derivative financial instruments	**10,308**	-
Provisions	**42,830**	37,952
Other liabilities	**37,608**	112,070
Total current liabilities	**352,583**	368,412
Non-current liabilities		
Provisions	**53,575**	43,362
Interest bearing loans and borrowings	**30,000**	-
Derivative financial instruments	**2,739**	-
Lease liabilities	**204,126**	241,612
Total non-current liabilities	**290,440**	284,974
Total liabilities	**643,023**	653,386
Net assets	**2,445,822**	2,166,810
EQUITY		
Contributed equity	**4**	4
Reserves	**2,445,818**	2,166,806
Total equity	**2,445,822**	2,166,810

30 September 2024

Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(c) Statement of cash flows - Parent

	2024 $'000	2023 $'000
Cash flows from operating activities		
Receipts from customers	**930,476**	1,374,421
Payments to suppliers and employees	**(709,423)**	(989,330)
	221,053	385,091
Interest received	**9,160**	13,100
Interest and other costs of finance paid	**(8,848)**	(10,297)
Net operating cash flows	**221,365**	387,894
Cash flows from investing activities		
Payments for property, plant and equipment	**(430,674)**	(532,536)
Receipt of asset-related government grants	**7,413**	4,014
Proceeds from sale of property, plant and equipment	**826**	1,017
Payments for intangible assets	**(14,869)**	(11,793)
Term deposits (net)	**(78)**	30,111
Loans (to)/ from related parties	**8,429**	33,535
Distributions from subsidiaries and associates	**170,750**	3,500
Franking credit refund	**644**	83,774
Net investing cash flows	**(257,559)**	(388,378)
Cash flows from financing activities		
Proceeds from borrowings	**60,000**	-
Repayment of borrowings	**-**	(40,000)
Repayment of lease liabilities	**(62,758)**	(57,277)
Net cash flows from financing activities	**(2,758)**	(97,277)
Net (decrease)/increase in cash and cash equivalents held	**(38,952)**	(97,761)
Cash and cash equivalents at the beginning of the financial year	**172,907**	270,668
Cash and cash equivalents at the end of the financial year	**133,955**	172,907

(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.

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Notes to the consolidated financial statements

24 Parent entity disclosures (continued)

(e) Capital commitments

Commitments for the acquisition of property, plant and equipment contracted as at the reporting date but not recognised as liabilities payable:

	2024 $'000	2023 $'000
Within one year	**159,590**	131,576
Later than one year but not later than five years	**116,294**	203,364
	275,884	334,940

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 2024 of the closed group.

30 September 2024

Notes to the consolidated financial statements

25 Deed of cross guarantee (continued)

Consolidated statements (continued)

	2024 $'000	2023 $'000
Consolidated statement of profit or loss and other comprehensive income		
Revenue	**1,270,824**	1,560,632
Other income (i)	**253,825**	91,496
Raw materials and consumables used	**(214,558)**	(228,561)
Employee benefits expense	**(266,545)**	(271,105)
Depreciation and amortisation expense	**(229,309)**	(244,383)
Storage, handling and freight expenses	**(398,745)**	(527,455)
Marketing and trading expenses	**(14,158)**	(3,838)
Insurance	**(13,932)**	(17,964)
Other expenses	**(76,200)**	(83,403)
Interest expense	**(10,377)**	(11,829)
Profit/(loss) before income tax	**300,825**	263,590
Income tax expense	**(1,980)**	(2,827)
Profit/(loss) for the year	**298,845**	260,763
Other comprehensive income		
Items that may be reclassified subsequently to the profit or loss		
Cash flow hedge (loss)/ gain	**(15,298)**	8,795
Total comprehensive income/(expense) for the year	**283,547**	269,558
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	**20,999**	14,486
Profit/(loss) for the period	**298,845**	260,763
Transfer to reserves	**(294,309)**	(254,250)
Retained earnings at the end of the financial year	**25,535**	20,999

(i) Included in the Parent entity other income is $73,501,242 in franking credit refunds (2023: $83,773,899) 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 $170,750,000 (2023: $1,500,000) received from CBH's subsidiaries. No foreign dividends were received from CBH's subsidiaries (2023: $2,000,000).

30 September 2024

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 2024 of the closed group.

	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	**140,021**	175,742
Trade receivables	**137,007**	101,447
Inventories	**78,663**	59,246
Derivative financial instruments	**5,191**	4,546
Prepayments	**11,139**	9,214
Total current assets	**372,021**	350,195
Non-current assets		
Trade and other receivables	**40,563**	41,909
Investments in associates	**136,935**	136,935
Investments in controlled entities	**100,772**	100,772
Property, plant and equipment	**2,165,534**	1,873,129
Right-of-use assets	**255,053**	295,282
Derivative financial instruments	**249**	5,804
Intangible assets and goodwill	**56,059**	50,742
Deferred tax assets	**841**	-
Total non-current assets	**2,756,006**	2,504,573
Total assets	**3,128,027**	2,854,768
Current liabilities		
Trade and other payables	**215,191**	274,303
Interest bearing loans and borrowings	**30,000**	-
Derivative financial instruments	**10,308**	-
Lease liabilities	**62,953**	62,975
Income tax payable	**923**	1,631
Provisions	**44,644**	39,832
Total current liabilities	**364,019**	378,741
Non-current liabilities		
Provisions	**53,575**	43,362
Interest bearing loans and borrowings	**30,000**	-
Derivative financial instruments	**2,739**	-
Deferred tax liabilities	**-**	105
Lease liabilities	**206,337**	244,750
Total non-current liabilities	**292,651**	288,217
Total liabilities	**656,670**	666,958
Net assets	**2,471,357**	2,187,810
Equity		
Contributed equity	**4**	4
Reserves	**2,445,818**	2,166,805
Retained earnings	**25,535**	21,001
Total equity	**2,471,357**	2,187,810

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Notes to the consolidated financial statements

26 Key management personnel compensation

	2024 $	2023 $
Short-term benefits [(i)]	**9,003,420**	8,314,324
Post-employment benefits [(ii)]	**433,869**	406,473
Long-term benefits [(iii)]	**704,643**	517,590
Termination benefits [(iv)]	**-**	131,552
	10,141,932	9,369,939

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.

(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 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.

	2024 $	2023 $
Mr A J Mulgrew (resigned 17 February 2023)	**-**	9,132
Mr D A Lock	**25,659**	23,980
Mr G R Rowe	**25,659**	14,782

Total aggregate number of CBH shares held by directors and director-related entities is 9 (2023: 10).

30 September 2024

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.

	2024 $	2023 $
N A M Browning, M L Caughey, 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	**11,757,060**	17,384,902
Freight and receival fees charged by the Group	**1,999,973**	3,264,787
Fertiliser purchases from the Group	**4,327,248**	3,768,651

(iii) Unsecured balances outstanding from/(to) Directors

	2024 $	2023 $
Loans to Growers (Refer to Note 13)	**543,373**	415,444

(c) Other related party transactions

(i) Transactions with associates of CBH in the ordinary course of business on normal commercial terms

	2024 $	2023 $
Grain sales to Interflour Group Pte Ltd ('IFG') and its controlled entities	**207,913,161**	228,430,806
Receipts from/(Payments to) from IFG and its controlled entities for grain shipping related charges	**51,360**	(236,318)

(ii) Receivables from IFG and its controlled entities

	2024 $	2023 $
Unsecured interest-free USD-denominated loan (Refer to Note 12)	**41,912,954**	44,145,119

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 2024

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.

	2024 $	2023 $
Audit and review services		
Auditors of the Group - KPMG		
KPMG Australia - Group	**361,775**	310,093
KPMG Australia - controlled entities	**302,698**	259,456
Other KPMG firms - controlled entities	**156,065**	79,657
	820,538	649,206
Assurance services		
Auditors of the Group - KPMG		
Regulatory assurance services	**13,853**	11,874
Other assurance services	**88,300**	92,400
	102,153	**104,274**

29 Changes in accounting policies

(a) New and amended accounting standards and interpretations adopted from 1 October 2023

The Group has adopted all new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a material impact on the Group's financial statements.

30 September 2024

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 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**
The 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.		

30 September 2024

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:

	2024 $'000	**2023 $'000**
Within one year	**3,252**	3,147
Later than one year but not later than five years	**5,165**	1,962
Later than five years	**363**	-
	8,780	5,109

(b) Capital commitments

Commitments for the acquisition of property, plant and equipment contracted as at the reporting date but not recognised as liabilities payable:

	2024 $'000	**2023 $'000**
Within one year	**159,590**	131,668
Later than one year but not later than five years	**116,294**	203,364
	275,884	335,032

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 Material events after year end

Subsequent to 30 September 2024, CBH Grain Pty Ltd negotiated the following facilities with various banks for the acquisition of grain over the 2024/2025 season:

- Syndicated debt of $600,000,000;
- Banking facilities of $1,400,000,000; and
- Trade facilities of $100,000,000.

The facilities have been executed and are on similar terms and conditions to prior seasons, refer to Note 19(e). 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

Subsequent to the dividends received from its subsidiaries in the financial year ending 30 September 2024, CBH Ltd, the parent entity, has lodged a claim with the Australian Tax Office for a refund of $73,179,000 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 2024

Directors' declaration

1. In the Directors' opinion:
   (a) the consolidated financial statements and notes that are set out on pages 71 to 134 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 2024 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

4 December 2024

Independent Auditor's Report

To the members of Co-operative Bulk Handling Limited

Opinion

We have audited the ***Financial Report*** of Co-operative Bulk Handling Limited (the Co-operative).

In our opinion, the accompanying Financial Report of the Co-operative is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, and the Co-operatives Act 2009 including:

- Giving a true and fair view of the ***Group's*** financial position as at 30 September 2024, and of its financial performance and its cash flows for the year ended on that date; and
- Complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR).*

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 September 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' declaration

The ***Group*** consists of the Co-operative and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

We conducted our audit 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 opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Other Information

Other Information is financial and non-financial information in Co-operative Bulk Handling Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC and ACNCR;
- Preparing the Financial Report in accordance with the Co-operatives Act 2009;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Co-operative'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 Co-operative or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. 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 this Financial Report.

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

KPMG

We also:

- Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Group and Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group and Co-operative to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group Financial Report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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

KPMG

Jane Bailey

KPMG	Jane Bailey
	Partner
	Perth
	4 December 2024

Appendix – Sustainability

Sustainability metrics

PILLAR	METRIC	UNIT OF MEASUREMENT	FY21	FY22	FY23	FY24
Markets	Amount of sustainably-certified grain shipped (of total)	Percentage of total	15%	18%	25%	20%
	Grower Load Sample collection rate for Chemical Residue Traceability	Percentage of total loads	30%	42%	46%	62%
	Certifications (ISO9001, 14001, HACCP, ISCC EU/PLUS, FEMAS, NATA and Halal)	Compliance	100%	100%	100%	100%
Communities	Community Investment Fund	$	$1.6m	$1.6m	$1.6m	$1.7m
	Number of vendors in local grain-growing communities	Percentage of total	28%	31%	31%	29%
People	All Injury Frequency Rate (AIFR)	#	7.3	5.8	6.0*	6.3*
	Gender Diversity	Percentage	24%	27%	28%	30%
Governance	Board to monitor sustainability through revised Health, Safety and Sustainability Committee			Commenced		
Environmental	Scope 1 & 2 emissions intensity	Kg CO_2-e / tonne received	3.7kg	3.1kg	2.7kg*	4.8kg*
	50% reduction of Scope 1 & 2 emissions by 2030 based on 2021 baseline year	CO_2e	55,372t	66,163t	62,040t*	60,040t*
	Site to Customer Emissions Intensity	Kg CO_2-e / tonne received	63.2kg	64.5kg	61.7kg*	64.6kg*
	Net-zero emissions of Scope 1, 2 and select scope 3 (trucks, rail and shipping) by 2050	CO_2e	566,113t	617,832t	655,302t*	612,866t*

* CBH engaged KPMG to perform a limited assurance engagement over FY24 Scope 1 GHG emissions, FY24 Scope 2 GHG emissions, FY24 site to-customer emissions (including FY24 Scope 1 GHG emissions, FY24 Scope 2 GHG emissions, and FY24 Select Scope 3 GHG emissions (trucks, rail and shipping)), and AIFR for the 12 months ended 30 September 2024.

CBH disclosed carbon emissions relate to the period of 1 July 2023 to 30 June 2024 to align to The National Greenhouse and Energy Reporting Act 2007.

Sustainability Risks and Opportunities

RISK	DESCRIPTION	IMPACT TO THE BUSINESS	RISK MITIGATION AND OPPORTUNITIES	TIME HORIZON
Market Access (Transition: Markets)	Market access restrictions driven by both tariff and non-tariff measures.	Marketing & Trading is unable to find alternative export markets for WA growers.	• Engage key customers and government counterparts on trade • New and existing market development and diversification • Maintain sustainable certifications and develop low carbon product and freight measurements.	Short Term (1-3 years)
Regulatory and Certifications (Transition: Policy and Legal)	Changes to the 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, certification bodies and monitor the landscape for international regulation. • Maintain stakeholder relationships • Ongoing engagement with growers and industry on impact of regulations • Develop public and media advocacy	Short Term (1-3 years)
Climate change (Physical Acute/ Chronic)	Climate change results in more diverse weather events and longer term changing temperature and rainfall patterns across the WA wheatbelt	WA production becomes more volatile and trends downwards. Supply chain efficiency impacted by increased climate volatility. Production variability creates greater uncertainty in crop marketing.	• Continue to conduct scenario modelling and review outcomes • Changes in the WA crop production are considered within the CBH network planning process • Work with supply chain partners to understand business continuity impacts.	Long Term (7+ years)
Alternative land uses (Transition: Policy)	Mitigating emissions becomes more challenging for businesses leading to interest in carbon offsetting via reforestation of crop land or renewable energy projects.	• Reduction in arable land planted to crops. • Inability to meet customer demand.	• Monitor regional areas for significant land use change	Medium Term (3-7 years)
Access to funding and insurance (Transition: Markets)	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	Medium Term (3-7 years)

OPPORTUNITY	DESCRIPTION	IMPACT TO THE BUSINESS	OPPORTUNITY CAPTURE	TIME HORIZON
Access to new markets through development of new products	A strong climate/carbon reduction focus will ensure 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 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.	Short Term (1-3 years)
Renewable energy and Carbon Sequestration	Utilise CBH waste to sequester carbon and/ or energy production. Opportunity to use and generate renewable energy.	• Lower carbon emissions • Building resilience along our supply chain and reducing waste	• Continue to investigate delivery models in collaboration and partnership with energy providers	Short Term (1-3 years)

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

LINK	DISCLOSURE	DESCRIPTION
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About Us	Disclosure 102-2	Activities, brands, products, and services
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Supply Chain	Disclosure 102-6	Markets served
About Us	Disclosure 102-7	Scale of the organisation
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Sustainable Future	Disclosure 305-3	Other indirect (scope 3) GHG emissions
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LINK	DISCLOSURE	DESCRIPTION
Environment (*cont.*)		
Climate change and adaption response		
Sustainable Future	Disclosure 103-1	Explanation of the material topic and its Boundary
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Safety, People & Community		
Workforce Health and Safety		
Our People	Disclosure 103-1	Explanation of the material topic and its Boundary
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Our People	Disclosure 103-3	Evaluation of the management approach
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People, Diversity and inclusion and employee engagement		
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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

		2024	2023	2022	2021	2020
Tonnes received	mt	12.5	22.9	21.3	15.1	9.8
All injury frequency rate (AIFR)		6.3	6.0	5.8	7.3	7.2
Fertiliser tonnes outturned	t	253,000	232,000	204,000	184,000	124,500
Revenue from continuing operations	$m	4,477	6,014	6,219	3,993	3,236
Pools revenue	$m	1,188	1,630	1,150	240	196
Other gains and losses	$m	201	173	(239)	13	(5)
Total revenue including other income	**$m**	**5,866**	**7,817**	**7,130**	**4,246**	**3,427**
Net profit contribution from:						
Grain storage and handling	$m	51	156	58	44	(11)
Freight Fund	$m	0	13	(13)	0	0
Marketing & Trading	$m	15	176	438	77	12
Grain Processing	$m	13	4	12	14	8
Corporate & other	$m	68	88	3	(1)	2
Profit attributable to members of Co-operative Bulk Handling Limited	**$m**	**147**	**437**	**498**	**134**	**11**
Capital expenditure	$m	459	551	342	218	201
Total assets	$m	3,749	4,248	4,379	2,971	2,441
Total liabilities	$m	(783)	(1,410)	(1,990)	(1,078)	(684)
Equity	**$m**	**2,966**	**2,838**	**2,389**	**1,893**	**1,757**
(Net debt)/net cash	$m	194	(294)	(368)	(240)	(9)

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