

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Consolidated Financial Statements

For the Year Ended 30 June 2023

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Contents

For the Year Ended 30 June 2023

	Page
Consolidated Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flows	4
Notes to the Financial Statements	5

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
Sales revenue	29,049,345	24,911,848
Cost of sales	<u>(20,498,069)</u>	<u>(18,797,541)</u>
Gross profit	8,551,276	6,114,307
Other income	48,273	103,107
Administrative expenses	(3,331,864)	(1,139,999)
Finance expenses	23 (552,076)	(361,904)
Occupancy costs	(40,890)	(38,753)
Employee benefits expense	(2,302,641)	(2,064,027)
Depreciation	<u>(461,074)</u>	<u>(391,473)</u>
Profit before income tax	1,911,004	2,221,260
Income tax expense	4 (109,878)	-
Profit for the year	<u>1,801,126</u>	<u>2,221,260</u>
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	<u>1,801,126</u>	<u>2,221,260</u>
Profit attributable to:		
Members of the parent entity	1,399,080	1,836,377
Non-controlling interest	<u>402,046</u>	<u>384,883</u>
	<u>1,801,126</u>	<u>2,221,260</u>
Total comprehensive income attributable to:		
Members of the parent entity	1,399,080	1,836,377
Non-controlling interest	<u>402,046</u>	<u>384,883</u>
	<u>1,801,126</u>	<u>2,221,260</u>
Earnings per share attributable to the ordinary equity holders of the parent		
Profit or loss		
Basic earnings per share (cents)	54.18	71.11
Diluted earnings per share (cents)	54.18	71.11
Profit or loss from continuing operations		
Basic earnings per share (cents)	54.18	71.11
Diluted earnings per share (cents)	54.18	71.11

The accompanying notes form part of these financial statements.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Consolidated Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	121,273	474,973
Trade and other receivables	6	4,579,879	3,585,696
Inventories	7	1,143,033	1,133,386
Prepayment of seed purchase	10	3,951,896	1,373,489
Tax assets		224,215	-
Other assets		299,555	-
TOTAL CURRENT ASSETS		10,319,851	6,567,544
NON-CURRENT ASSETS			
Investments in associates	16	89,977	50,000
Property, plant and equipment	8	10,261,910	7,902,448
Goodwill	9	2,582,495	2,582,495
TOTAL NON-CURRENT ASSETS		12,934,382	10,534,943
TOTAL ASSETS		23,254,233	17,102,487
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	6,473,495	2,582,289
Borrowings	12	396,881	2,204,301
Contract liabilities		-	1,352,084
Related party loans	13	3,237,711	4,585,751
Employee benefits		103,734	69,275
TOTAL CURRENT LIABILITIES		10,211,821	10,793,700
NON-CURRENT LIABILITIES			
Borrowings	12	2,078,570	78,570
Related party loans	13	2,982,499	50,000
TOTAL NON-CURRENT LIABILITIES		5,061,069	128,570
TOTAL LIABILITIES		15,272,890	10,922,270
NET ASSETS		7,981,343	6,180,217
EQUITY			
Issued capital	14	2,582,487	2,582,487
Retained earnings		4,051,390	2,652,310
Total equity attributable to equity holders of the Company		6,633,877	5,234,797
Non-controlling interest		1,347,466	945,420
TOTAL EQUITY		7,981,343	6,180,217

The accompanying notes form part of these financial statements.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Ordinary Shares \$	Retained Earnings \$	Non-controlli ng Interests \$	Total \$
Balance at 1 July 2022	2,582,487	2,652,310	945,420	6,180,217
Profit attributable to members of the parent entity	-	1,399,080	402,046	1,801,126
Balance at 30 June 2023	2,582,487	4,051,390	1,347,466	7,981,343

2022

	Ordinary Shares \$	Retained Earnings \$	Non-controlli ng Interests \$	Total \$
Balance at 1 July 2021	2,582,487	815,933	560,537	3,958,957
Profit attributable to members of the parent entity	-	1,836,377	384,883	2,221,260
Transactions with owners in their capacity as owners				
Balance at 30 June 2022	2,582,487	2,652,310	945,420	6,180,217

The accompanying notes form part of these financial statements.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Consolidated Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	28,063,458	22,176,677
Payments to suppliers and employees	(26,711,708)	(21,245,908)
Income tax paid	(109,878)	-
Interest paid	(552,076)	(361,543)
Net cash provided by/(used in) operating activities	19 <u>689,796</u>	<u>569,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(2,820,536)</u>	<u>(345,777)</u>
Net cash provided by/(used in) investing activities	<u>(2,820,536)</u>	<u>(345,777)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	2,602,964	533,643
Repayment of borrowings	<u>(825,924)</u>	<u>(600,000)</u>
Net cash provided by/(used in) financing activities	<u>1,777,040</u>	<u>(66,357)</u>
Net increase/(decrease) in cash and cash equivalents held	(353,700)	157,092
Cash and cash equivalents at beginning of year	<u>474,973</u>	<u>317,881</u>
Cash and cash equivalents at end of financial year	5 <u><u>121,273</u></u>	<u><u>474,973</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Basis of Preparation

The main business activities include the mill of GMO free conventional and organic oilseeds to produce vegetable oils and related products to wholesales and retail market.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 2. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in AUD, which is also the Australian Oilseeds Investments Group and its subsidiaries' functional currency.

Amounts are rounded to the nearest dollar, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

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

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

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

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

Wholesale revenue

Revenue from sales made to wholesale customers is recognised when control of the goods has transferred, being the point in time when 1) the goods have been shipped to the wholesaler, and 2) the wholesaler has full discretion over the subsequent distribution of the goods and the price at which the goods are sold. Based on the terms of the contract, at the time the goods are shipped, the wholesaler is deemed to have accepted the products and therefore assumes any related inventory risk (e.g. obsolescence or other loss).

On delivery of the goods to the wholesaler (i.e. when they are shipped), the Company recognises a receivable as this represents the point in time at which the Company's right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(b) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	3%
Plant and Equipment	3% to 33%
Motor Vehicles	17% to 25%
Office Equipment	3% to 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

- fair value through other comprehensive income - equity instruments (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

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

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group re-negotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in IFRS 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(h) Intangible assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments (continued)

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - inventory

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have valued inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

4 Income Tax Expense

(a) Reconciliation of income tax to accounting profit:

	2023	2022
	\$	\$
Profit	1,801,126	2,221,260
Tax	25.00%	25.00%
	<u>477,751</u>	<u>555,315</u>
Less:		
Tax offset of Research & Development incentive	104,999	-
Recoupment of prior year tax losses not previously brought to account	262,874	555,315
Income tax expense	<u>109,878</u>	<u>-</u>

5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	121,273	473,499
Other cash and cash equivalents	-	1,474
	<u>121,273</u>	<u>474,973</u>

6 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	4,579,879	3,357,076
Tax receivable	-	164,220
Other receivables	-	64,400
Total current trade and other receivables	<u>4,579,879</u>	<u>3,585,696</u>

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

6 Trade and Other Receivables (continued)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Inventories

	2023	2022
	\$	\$
CURRENT		
Raw materials	515,266	961,223
Finished Goods	599,558	131,004
Consumables	28,209	41,159
Total current trade and other receivables	1,143,033	1,133,386

Write downs of inventories to net realisable value during the year were \$ NIL (2022: \$ NIL).

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

8 Property, plant and equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Freehold land		
At cost	312,377	312,377
Total Land	<u>312,377</u>	<u>312,377</u>
Buildings		
At cost	5,490,655	5,805,005
Accumulated depreciation	<u>(1,017,872)</u>	<u>(961,880)</u>
Total buildings	<u>4,472,783</u>	<u>4,843,125</u>
Total land and buildings	<u>4,785,160</u>	<u>5,155,502</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	8,436,521	5,705,047
Accumulated depreciation	<u>(2,974,190)</u>	<u>(2,985,903)</u>
Total plant and equipment	<u>5,462,331</u>	<u>2,719,144</u>
Motor vehicles		
At cost	45,845	106,668
Accumulated depreciation	<u>(45,845)</u>	<u>(98,237)</u>
Total motor vehicles	<u>-</u>	<u>8,431</u>
Office equipment		
At cost	52,211	180,772
Accumulated depreciation	<u>(37,793)</u>	<u>(161,401)</u>
Total office equipment	<u>14,419</u>	<u>19,371</u>
Total plant and equipment	<u>5,476,750</u>	<u>2,746,946</u>
Total property, plant and equipment	<u>10,261,910</u>	<u>7,902,448</u>

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

8 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Year ended 30 June 2023						
Balance at the beginning of the year	312,377	4,843,125	2,719,144	8,431	19,371	7,902,448
Additions	-	-	2,813,967	-	6,569	2,820,536
Reclassification	-	(233,076)	228,086	5,359	(369)	-
Depreciation expense	-	(137,266)	(298,866)	(13,790)	(11,152)	(461,074)
Balance at the end of the year	312,377	4,472,783	5,462,331	-	14,419	10,261,910

	Land \$	Buildings \$	Plant and Equipment \$	Motor Vehicles \$	Office Equipment \$	Total \$
Year ended 30 June 2022						
Balance at the beginning of the year	312,377	4,992,434	2,608,322	13,282	21,729	7,948,144
Additions	-	-	340,905	-	4,871	345,776
Depreciation expense	-	(149,309)	(230,083)	(4,851)	(7,229)	(391,472)
Balance at the end of the year	312,377	4,843,125	2,719,144	8,431	19,371	7,902,448

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

9 Goodwill

	2023	2022
	\$	\$
Goodwill (Cost model)	2,582,495	2,582,495

10 Other non-financial assets

	2023	2022
	\$	\$
CURRENT		
Prepayment of seed purchase	3,951,896	1,373,489

Prepayment of seed purchase is the upfront payment for purchasing canola seed for the next six months, it accounts for 6000 tonnage of canola seed hold by the third-party suppliers and will be transferred to the Company less than six months period.

11 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	6,372,400	2,374,828
Sundry payables and accrued expenses	100,925	132,292
Other payables	170	75,169
	<u>6,473,495</u>	<u>2,582,289</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Borrowings

	2023	2022
	\$	\$
CURRENT		
Unsecured loans		29,301
Secured bank loans	396,881	2,175,000
	<u>396,881</u>	<u>2,204,301</u>

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

12 Borrowings (continued)

Commonwealth Bank of Australia as sole lender, have total 2m secured by first mortgages over the group's freehold land and buildings. Lease liabilities are secured by the related leased assets.

The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

13 Related party loans

Related party loan of 3.6m is owed to JSKS Enterprises Pty Ltd which is the trustee of Gary Seaton Family Trust, and interest rate charge is 6% per annum. It includes the interest payable of \$776,080 to be repaid within 12 months after the year end, and the remaining principle shall be repaid more than 12 months after the year end.

Related party loan of 1.95m is owed to Energreen Nutrition Australia Pty Ltd which is controlled by Gary Seaton, and interest rate charge is 6% per annum and expected to be repaid in full within 12 months after the year end.

The remaining of \$260,000 related party loan relates to interest free loan owed to CQ Oilseeds Pty Ltd and \$200,000 related party loan relates to interest free loan owed to Good Earth Oils Pty Ltd and \$53,000 interest free loan owed to Gary Seaton and expected to be repaid within 6 months after the year end.

14 Issued Capital

	2023	2022
	\$	\$
2,582,487 (2022: 2,582,487) Ordinary shares	2,582,487	2,582,487

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

On July 22, 2019, the Company engaged in a share buyback transaction in which it repurchased \$2,582,482 worth of its ordinary shares from Betar Investments Pty Ltd. The consideration for this transaction was \$1,122,180, which was fully offset by a deed of share transfer involving PYRENEES Hay Processors Company Pty Ltd (which transferred 1,000,000 ordinary shares worth \$1,057,750) and Premier Feed & Fibre Pty Ltd (which transferred 8,677 ordinary shares worth \$65,000) to Betar Investments Pty Ltd.

As part of the supplementary agreement to the deed of share transfer, Betar Investments Pty Ltd also provided a loan of \$1,293,616 to Cowcumbra Investment with an interest rate of 6% per annum. This loan was secured by registering a second mortgage over Lot 12 in Deposited Plan 1075678, which is land owned by Cowcumbra Investments.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

14 Issued Capital (continued)

(a) Ordinary shares (continued)

On July 22, the Company acquired a controlling interest of 70.9% in Cowcumbra Investment, resulting in the recognition of \$2,582,495 in goodwill against the net asset value of Cowcumbra Investment, which was valued at \$1,890,162 for the entire share interest (100%).

On 18 Feb 2021, the Company purchased 239,823 shares from the minority interest shareholders by \$1.40 per share to obtain 1,684,881 ordinary shares of the Company, which account for 82.7% interest.

The Company does not have authorised capital or par value in respect of its shares.

15 Key management personnel compensation

Key management personnel remuneration included within employee expenses for the year is shown below:

	2023	2022
	\$	\$
Short-term employee benefits	134,407	134,407
Post-employment benefits	13,441	13,441
	<u>147,848</u>	<u>147,848</u>

16 Interests in Associates

Set out below are the associates and joint ventures of the group as at 30 June 2022 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity:	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2023	2022
Good Earth Oils Pty Ltd	Australia	50	50

Good Earth Oils Pty Ltd

Good Earth Oils Pty Ltd is a Sales & Marketing company who promote edible oils to Australian local market through local supermarket retail chains. Its product range branding canola oils and vegetable oils under its unique branding "Cold Pressed No GMO" mostly sourced from the company group.

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: nil).

18 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 15.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

18 Related Parties (continued)

(a) The Group's main related parties are as follows: (continued)

Associates - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Sales
	\$	\$
Energreen Nutrition Australia Pty Ltd	13,942,332	1,693,451
Good Earths Oils	-	3,390,714

(c) Loans to/from related parties

	Balance	Interest
	\$	paid/payable
		\$
Loans from KMP		
2023	53,000	-
2022	1,293,504	-
Loans from related parties		
2023	5,162,891	1,004,319
2022	2,885,690	731,557

(d) Superannuation contributions

	2023	2022
	\$	\$
Contributions to superannuation funds on behalf of employees	184,877	158,281

19 Cash Flow Information

(a) Reconciliation of cash

2023	2022
-------------	-------------

Australian Oilseeds Investments Pty Ltd

56 158 999 949

**Notes to the Financial Statements
For the Year Ended 30 June 2023**

18 Related Parties (continued)

(a) The Group's main related parties are as follows: (continued)

\$

\$

Notes to the Financial Statements
For the Year Ended 30 June 2023

19 Cash Flow Information (continued)

(a) Reconciliation of cash (continued)

	2023	2022
	\$	\$
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	121,273	474,973

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	1,801,126	2,221,260
Cash flows excluded from profit attributable to operating activities	(39,977)	(10,797)
Non-cash flows in profit:		
- depreciation	461,074	391,473
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(994,183)	(2,837,918)
- (increase)/decrease in other assets	(2,877,962)	(572,907)
- (increase)/decrease in inventories	(1,585,946)	906,376
- increase/(decrease) in trade and other payables	3,891,206	441,856
- increase/(decrease) in provisions	34,459	29,883
Cash flows from operations	689,796	569,226

20 Net Tangible Assets

Net tangible assets per ordinary share have been determined using the net assets on the consolidated statement of financial position adjusted for non-controlling interests, intangible assets and goodwill.

21 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

22 Parent entity

The group is controlled by the following entities:

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Parent entities:			
JSKS (Trustee as Gary Seaton Family Trust) (ultimate parent entity and controlling party)	Australia	75	75

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

The following information has been extracted from the books and records of the parent, Australian Oilseeds Investments Pty Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Australian Oilseeds Investments Pty Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Australian Oilseeds Investments Pty Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are utilised in subsidiaries individual level.

	2023 \$	2022 \$
Statement of Financial Position		
Assets		
Current assets	39,717	376,933
Non-current assets	7,519,761	5,977,099
Total Assets	<u>7,559,478</u>	<u>6,354,032</u>
Liabilities		
Current liabilities	2,864,785	3,954,103
Non-current liabilities	2,853,929	-
Total Liabilities	<u>5,718,714</u>	<u>3,954,103</u>
Equity		
Issued capital	2,582,487	2,582,487
Retained earnings	(741,723)	(182,558)

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
Total Equity	<u>1,840,764</u>	<u>2,399,929</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	<u>(559,165)</u>	<u>(65,022)</u>
Total comprehensive income	<u>(559,165)</u>	<u>(65,022)</u>
23 Finance Costs		
	2023	2022
	\$	\$
Interest expense		
Interest paid	<u>552,076</u>	361,904
Total finance expenses	<u>552,076</u>	<u>361,904</u>
Capitalised borrowing costs		
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	-	4,916-
	-	<u>4,916-</u>
24 Earnings per share		
(a) Basic earnings per share		
	2023	2022
	\$	\$
From continuing operations attributable to the ordinary equity holders of the company	0.70	0.86
From discontinued operation	-	-
Total basic earnings per share attributable to the ordinary equity holders of the company	<u>0.70</u>	<u>0.86</u>
(b) Diluted earnings per share		
	2023	2022
	\$	\$
From continuing operations attributable to the ordinary equity holders of the company	0.70	0.86
From discontinued operations	-	-
Total diluted earnings per share attributable to the ordinary equity holders of the company	<u>0.70</u>	<u>0.86</u>

Australian Oilseeds Investments Pty Ltd

56 158 999 949

Notes to the Financial Statements For the Year Ended 30 June 2023

24 Earnings per share (continued)

(c) Weighted average number of shares used as the denominator

	2023	2022
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,582,487	2,582,487
Adjustments for calculation of diluted earnings per share:		
Amounts uncalled on partly paid shares and calls in arrears	-	-
Options	-	-
Deferred shares	-	-
Convertible notes	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>2,582,487</u>	<u>2,582,487</u>

25 Statutory Information

The registered office and principal place of business of the company is:

Australian Oilseeds Investments Pty Ltd

Unit 2

100 Park Road

SLACKS CREEK QLD 4127

