

Baking Industry Group Limited

ABN 33 146 723 319

Financial Statements

For the Year Ended 31 December 2022

Baking Industry Group Limited

ABN 33 146 723 319

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For the Year Ended 31 December 2022

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Baking Industry Group Limited

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Directors' Report For the Year Ended 31 December 2022

The directors present their report on Baking Industry Group Limited for the financial year ended 31 December 2022.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

| | |
|---------------------|-------------------------------|
| Mark Dennien | |
| Christopher Hurford | |
| Myles Morris | |
| Kristopher Fox | (appointed 23 September 2022) |
| John Dabrowski | (resigned 28 November 2022) |
| Rodney Stanaway | (resigned 3 March 2022) |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

| | |
|--------------------------|--|
| Mark Dennien | |
| Qualifications | Experienced business owner |
| Experience | Board of Directors since 1982 |
| Special responsibilities | Vice President (Independent Operator) |
| Christopher Hurford | |
| Qualifications | Qualified Baker |
| Experience | Experienced business owner, international baking experience, Operations Manager |
| Special responsibilities | Vice President (Plant Operator) |
| Myles Morris | |
| Qualifications | Bachelor of Business (Accounting) |
| Experience | General Manager with experience in sales, purchasing & distribution |
| Special responsibilities | None |
| Kristopher Fox | |
| Qualifications | Qualified Baker Since 2007 |
| Experience | Successful business owner Since 2014 |
| Special responsibilities | None |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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Directors' Report

For the Year Ended 31 December 2022

1. General information

Principal activities

The principal activity of Baking Industry Group Limited during the financial year was to provide industry leadership to develop, support and protect the principles of efficiency, quality and best practices in the Baking Industry.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- be actively involved in apprentice training, possible expansion into other states;
- enhance the Industry Magazine which is distributed quarterly nationally;
- improve the website;
- increase NBIA brand awareness; and
- increase social media activity.

Long term objectives

The Company's long term objectives are to:

- foster and support the development of the baking industry including Bread Manufacturing, Pastry Cooking, Cake Production and related Products;
- support and develop implementation and continuous improvement of the industry, enhancing innovation and efficiencies;
- enhance the professionalism of the industry, and ensure training and development within the industry;
- act as a principle voice of the Industry in identifying emerging trends and strategic advice to government and the wider community;
- represent the industry and the employer in any industry matters;
- to promote and oppose legislative and other measures affecting the baking industry;
- borrow, raise, invest and/or deal with money for the purpose of the company;
- research, collect, plan, coordinate and provide input to the research and development strategies; and
- amalgamate with or enter into affiliation or alliance with, or to promote or assist in the promotion of any other association or company/firm having objectives similar to or considered members of BIG and to acquire shares and interest in/ or lend money upon debentures, or otherwise to any association, company or firm.

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Directors' Report For the Year Ended 31 December 2022

1. General information

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- To become a united voice in the industry there is a need to work with likeminded associations such as the BAA, BIAAWA.
- BIG is a newly established body in the industry, it will be necessary to have an active presence at major industry trade exhibitions such as Fine Foods, Food Pro, and other major events.
- There is a need to search other countries as to what the world trends are, and what trends are relevant to the baked goods market.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Attracting new members;
- Developing the skills of the youth and future of the industry;
- Lifted the profile of the association; and
- Lobbying governments in areas that affect the baked goods sector.

Performance measures

The following measures are used within the Company to monitor performance:

- the number of new and renewed memberships;
- entries in the various trade competitions;
- reviews of Industry Awards rates;
- outcomes of various areas that have been lobbied in government departments that affect the industry; and
- completion of apprentices to trade persons.

Members' guarantee

Baking Industry Group Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 for members that are corporations and \$ 1 for all other members, subject to the provisions of the company's constitution.

At 31 December 2022 the collective liability of members was \$ 59 (2021: \$ 32).

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Directors' Report
For the Year Ended 31 December 2022

2. Other items

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Meetings of directors

No meetings of directors were held during the financial year. All decisions of the board were made through circular minutes.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:

Mark Dennien

Dated: 17/05/2023

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Baking Industry Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

SAAS Audit Pty Ltd



James Kenward
Director

138 Juliette Street
Greenslopes QLD 4120

Dated: 17/5/2023

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

| | | 2022 | 2021 |
|--|------|------------------|-----------------|
| | Note | \$ | \$ |
| Revenue | 4 | 81,599 | 26,073 |
| Commission received | | 206 | - |
| Employee benefits expense | | (108,357) | (18,929) |
| Depreciation expense | | (2,773) | (2,780) |
| Event expenses | | (12,295) | - |
| Rent | | (17,599) | (17,599) |
| Other expenses | | (48,761) | (69,647) |
| Loss before income tax | | (107,980) | (82,882) |
| Income tax expense | 6 | - | - |
| Loss for the year | | (107,980) | (82,882) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | (107,980) | (82,882) |

The accompanying notes form part of these financial statements.

Baking Industry Group Limited

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Statement of Financial Position As At 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|----------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 7 | 27,369 | 12,347 |
| Trade and other receivables | 8 | 30,933 | 18,350 |
| Prepayments | | 3,021 | 1,659 |
| TOTAL CURRENT ASSETS | | 61,323 | 32,356 |
| NON-CURRENT ASSETS | | | |
| Investments in associates | 9 | 25,000 | 25,000 |
| Plant and equipment | 10 | 506 | 725 |
| TOTAL NON-CURRENT ASSETS | | 25,506 | 25,725 |
| TOTAL ASSETS | | 86,829 | 58,081 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 30,661 | 18,210 |
| Borrowings | 12 | 599,367 | 511,627 |
| Employee benefits | 13 | 8,460 | 1,391 |
| Other financial liabilities | 14 | 63,032 | 33,564 |
| Other liabilities | 15 | 375 | 375 |
| TOTAL CURRENT LIABILITIES | | 701,895 | 565,167 |
| TOTAL LIABILITIES | | 701,895 | 565,167 |
| NET LIABILITIES | | (615,066) | (507,086) |
| EQUITY | | | |
| Retained earnings | | (615,066) | (507,086) |
| TOTAL EQUITY | | (615,066) | (507,086) |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

| | Retained Earnings | Total |
|-----------------------------|----------------------|------------------|
| | \$ | \$ |
| Balance at 1 January 2022 | (507,086) | (507,086) |
| Loss for the year | (107,980) | (107,980) |
| Balance at 31 December 2022 | <u>(615,066)</u> | <u>(615,066)</u> |

2021

| | Retained Earnings | Total |
|-----------------------------|----------------------|------------------|
| | \$ | \$ |
| Balance at 1 January 2021 | (424,204) | (424,204) |
| Loss for the year | (82,882) | (82,882) |
| Balance at 31 December 2021 | <u>(507,086)</u> | <u>(507,086)</u> |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2022

| | 2022 | 2021 |
|---|-----------------|-----------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 107,768 | 43,249 |
| Payments to suppliers and employees | (177,932) | (111,085) |
| Net cash provided by/(used in) operating activities | <u>(70,164)</u> | <u>(67,836)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (2,554) | (2,470) |
| Loans to related parties - net receipts/(payments) | - | 20,753 |
| Payment for investments | - | (25,000) |
| Net cash used by investing activities | <u>(2,554)</u> | <u>(6,717)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net proceeds from related parties payables | 87,740 | 71,006 |
| Net cash used by financing activities | <u>87,740</u> | <u>71,006</u> |
| Net increase/(decrease) in cash and cash equivalents held | 15,022 | (3,547) |
| Cash and cash equivalents at beginning of year | 12,347 | 15,894 |
| Cash and cash equivalents at end of financial year | 7 <u>27,369</u> | <u>12,347</u> |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2022

The financial report covers Baking Industry Group Limited as an individual entity. Baking Industry Group Limited is a not-for-profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of Baking Industry Group Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented in the accounting treatment area of the relevant notes and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue recognition

Revenue is recognised as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Australian Tax Office have determined that the Company should be subject to taxation. The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of 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

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(b) Income Tax
taxation authority.

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

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) 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.

(e) Trade and other receivables

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

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

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

(f) Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(g) Trade and other payables

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

(h) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(i) Contract liabilities

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

(j) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, the financial statements include some additional disclosures.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgements

Key judgement - recovery of deferred tax assets

Deferred tax assets are only recognised for losses and deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

4 Revenue and Other Income

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| | \$ | \$ |
| Revenue from contracts with customers | | |
| - member subscriptions | 18,515 | 11,787 |
| - provision of professional services | - | 1,484 |
| - event income | 63,084 | 12,802 |
| Total Revenue | 81,599 | 26,073 |

The Company's revenue from contracts with customers are disaggregated by the nature of income above, all revenue relates to customers in Australia and is recognised over time. As a consequence, no further disaggregation of this revenue is deemed necessary.

5 Result for the Year

The result for the year includes the following specific expenses:

Other expenses:

Superannuation contributions

| | |
|--------|-----|
| 10,327 | 808 |
|--------|-----|

6 Income Tax Expense

Reconciliation of income tax to accounting profit:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 25%)

| | |
|----------|----------|
| (26,995) | (20,721) |
|----------|----------|

Add tax effect of:

- tax losses carried forward

| | |
|--------|--------|
| 26,437 | 21,567 |
|--------|--------|

- increase in non-deductible expense provisions

| | |
|-------|---|
| 2,143 | - |
|-------|---|

| | |
|-------|-----|
| 1,585 | 846 |
|-------|-----|

Less tax effect of:

- mutual income less expenses not subject to tax

| | |
|-------|-----|
| 1,585 | 846 |
|-------|-----|

Income tax expense

| | |
|---|---|
| - | - |
|---|---|

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Notes to the Financial Statements For the Year Ended 31 December 2022

7 Cash and Cash Equivalents

| | 2022 | 2021 |
|---------------------------------|---------------|---------------|
| | \$ | \$ |
| Cash at bank and in hand | 27,369 | 11,995 |
| Other cash and cash equivalents | - | 352 |
| | <u>27,369</u> | <u>12,347</u> |

8 Trade and Other Receivables

CURRENT

| | | |
|-------------------|---------------|---------------|
| Trade receivables | 30,933 | 17,520 |
| GST receivable | - | 830 |
| | <u>30,933</u> | <u>18,350</u> |

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.

9 Interests in Associates

| | Principal place of business / Country of Incorporation | Percentage Owned (%)* 2022 | Percentage Owned (%)* 2021 |
|------------------------------|--|----------------------------------|----------------------------------|
| Associates: | | | |
| National Pie Council Pty Ltd | Australia | 25 | 25 |

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

The Company's interest in National Pie Council Pty Ltd, acquired in the current year, is recorded at its cost of \$25,000. The Directors believe this cost is not materially different from the fair value of the holding based the June 2022 financial report of National Pie Council Pty Ltd which disclosed net assets of \$121,663.

10 Plant and equipment

| | 2022 | 2021 |
|----------------------------------|------------|------------|
| | \$ | \$ |
| Office equipment | | |
| At cost | 8,637 | 6,083 |
| Accumulated depreciation | (8,131) | (5,358) |
| Total office equipment | <u>506</u> | <u>725</u> |
| Total plant and equipment | <u>506</u> | <u>725</u> |

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Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Plant and equipment

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

| | Office Equipment \$ | Total \$ |
|---------------------------------------|---------------------------|-------------|
| Year ended 31 December 2022 | | |
| Balance at the beginning of year | 725 | 725 |
| Additions | 2,554 | 2,554 |
| Depreciation expense | (2,773) | (2,773) |
| Balance at the end of the year | 506 | 506 |

11 Trade and Other Payables

| | 2022 \$ | 2021 \$ |
|--------------------------------------|---------------|---------------|
| Note | | |
| Current | | |
| Trade payables | 6,166 | 3,210 |
| GST payable | 1,154 | - |
| Sundry payables and accrued expenses | 15,000 | 15,000 |
| Other payables | 8,341 | - |
| | 30,661 | 18,210 |

The carrying amounts are considered to be a reasonable approximation of fair value.

12 Borrowings

CURRENT

Unsecured liabilities:

| | | | |
|---------------------------------|----|----------------|----------------|
| Other related party loans | 23 | 599,367 | 511,627 |
| Total current borrowings | | 599,367 | 511,627 |

The balances due to the Company's parent company and fellow subsidiaries are interest free and do not have any formalised repayment terms. As detailed more fully in Note 26, loans from other related parties are unsecured and do not have any formal repayments terms. The interest rate applicable to these loans ranges from 0% to 4.52%.

13 Employee Benefits

Current liabilities

| | | |
|----------------------------|--------------|--------------|
| Provision for annual leave | 8,460 | 1,391 |
| | 8,460 | 1,391 |

14 Other Financial Liabilities

CURRENT

| | | |
|-----------------|---------------|---------------|
| Deferred income | 63,032 | 33,564 |
| Total | 63,032 | 33,564 |

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Notes to the Financial Statements For the Year Ended 31 December 2022

15 Other Liabilities

| | 2022 | 2021 |
|----------------------------------|------------|------------|
| | \$ | \$ |
| CURRENT | | |
| Other liability - members equity | 375 | 375 |
| | <u>375</u> | <u>375</u> |

16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 31 December 2022 the number of members was 51 (2021: 32).

17 Auditors' Remuneration

| | 2022 | 2021 |
|---|--------------|--------------|
| | \$ | \$ |
| Remuneration of the auditor, SAAS Audit Pty Ltd, for: - auditing or reviewing the financial statements | 2,550 | 2,295 |
| | <u>2,550</u> | <u>2,295</u> |

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021:None).

19 Cash Flow Information

Changes in liabilities arising from financing activities

| | 2021 | Cash flows | 2022 |
|--|----------------|---------------|----------------|
| | \$ | \$ | \$ |
| Related party payables | 511,627 | 87,740 | 599,367 |
| Total liabilities from financing activities | <u>511,627</u> | <u>87,740</u> | <u>599,367</u> |
| | | Cash flows | |
| | 2020 | \$ | 2021 |
| | \$ | \$ | \$ |
| Related party payables | 440,621 | 71,006 | 511,627 |
| Total liabilities from financing activities | <u>440,621</u> | <u>71,006</u> | <u>511,627</u> |

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Notes to the Financial Statements For the Year Ended 31 December 2022

20 Carrying Amounts of Categories of Financial Assets and Liabilities

| | 2022 | 2021 |
|--|----------------|----------------|
| | \$ | \$ |
| Financial assets | | |
| Held at amortised cost | | |
| Cash and cash equivalents | 27,369 | 12,347 |
| Trade and other receivables | 30,933 | 18,350 |
| Total financial assets | <u>58,302</u> | <u>30,697</u> |
| Financial liabilities | | |
| Financial liabilities at amortised cost | | |
| Trade and other payables | 30,661 | 18,210 |
| Borrowings | 599,367 | 511,627 |
| Total financial liabilities | <u>630,028</u> | <u>529,837</u> |

21 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

| | | |
|-----------------------|--------|--------|
| Tax losses | 54,156 | 27,719 |
| Temporary differences | 23,629 | - |

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which Baking Industry Group Limited can utilise the benefits therein.

22 Key Management Personnel Disclosures

No remuneration was paid to key management personnel of the Company in the current or prior year in exchange for their services provided to the Company.

23 Related Parties

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

The ultimate parent entity, which exercises control over the Company, is The Baking Industry Association of Queensland. Baking Industry Group Limited is a company limited by guarantee and as such does not have any share capital. The company is a controlled entity as the board of directors of Baking Industry Group Limited mirrors the Committee of management of Baking Industry Association of Queensland. All financial and operating decisions of Baking Industry Group Limited are consistent with the policies of the Group.

Subsidiaries of The Baking Industry Association of Queensland are considered related parties.

Key management personnel - refer to Note 22.

Associates - refer to Note 9.

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.

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Notes to the Financial Statements For the Year Ended 31 December 2022

23 Related Parties

(b) Transactions and balances 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 |
|--|----------------|----------------|
| | \$ | \$ |
| Borrowings | | |
| Parent entity | 240,686 | 211,595 |
| Fellow subsidiaries of parent entity | 358,681 | 300,032 |
| Total related loans | <u>599,367</u> | <u>511,627</u> |
| Expenses | | |
| Fees for professional services paid to subsidiary of parent entity | - | 22,641 |
| Rent paid to subsidiary of parent entity | 17,598 | 17,598 |

The balances due to the Company's parent entity and fellow subsidiaries are unsecured, interest free and do not have any formalised repayment terms. These are not considered to be arm's length terms.

The rent payment is not subject to any formal lease terms.

24 Going concern

Notwithstanding that the Company made a loss of \$107,980 in the year and had net liabilities of \$615,066 at the year end, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from Baking Industry Association of Queensland (BIAQ) to allow the Company to meet its liabilities and it is the belief of the directors that such financial support will continue to be made available from BIAQ for the foreseeable future.

25 Events after the end of the Reporting Period

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

26 Statutory Information

The registered office of the company is:

Baking Industry Group Limited
c/o Southern Cross Accounting Brisbane South Pty Ltd
39A Woodhaven Place
Cornubia QLD 4130

The principal place of business is:

Unit 5, 54 Riverside Place
Morningside QLD 4170

Baking Industry Group Limited

ABN 33 146 723 319

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures ; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Mark Dennien

Dated: 17/05/2023

Baking Industry Group Limited

Independent Auditor's Report to the members of Baking Industry Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Baking Industry Group Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 24 in the financial report, which indicates that the Company incurred a net loss of \$107,980 during the year ended 31 December 2022 and, as of that date, the Company has net liabilities of \$615,066. These conditions, along with other matters as set forth in Note 24, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors report, but does not include the financial report and our auditor's report thereon.

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 and, in doing so, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Baking Industry Group Limited

Independent Auditor's Report to the members of Baking Industry Group Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

SAAS Audit Pty Ltd



James Kenward
Director

138 Juliette Street
Freenslopes QLD 4120

Dated: 17/5/2023