



FOR AUSTRALIAN AGRICULTURE

Elders

*2022 Elders
Tax Transparency Report*

Elders Limited ABN 34 004 336 636

Introduction

The Board of Elders Limited strongly believes that a culture of compliance is essential in ensuring the long-term success of our strategic objectives. We continue to uphold high standards of corporate governance, including the publication of our 2022 Corporate Governance Statement. In addition to this, Elders is pleased to publish our annual Tax Transparency Report for the year ended 30 September 2022.

Elders acknowledges that the commercial needs of the group are of utmost importance. In addition, Elders' overarching tax management principles are to ensure all tax obligations are met and all taxes that are legally obliged to be paid are paid.

Elders has posted another strong financial result in the 2022 year, however, due to the significant amount of carried forward losses in the Elders tax consolidated group, it was not required to pay any company tax in the current year. Nevertheless, Elders remitted around \$186m of taxes to both Federal and State revenue offices.

This document should be read in conjunction with our 2022 Elders Annual Report, which is available at our website, [Elders.com.au](https://www.elders.com.au).

Elders Tax Strategy and Governance

Elders adopts a conservative approach to tax risk management. Elders has a Board approved tax governance framework, which includes a comprehensive tax risk policy which is reviewed bi-annually under our policy by our experienced in-house internal team as well as our external auditors. It also has appropriate systems, procedures and controls in place to identify and manage any tax risks. Our Head of Tax presents to the Board Audit, Risk and Compliance Committee at least twice a year on tax matters.

Elders acknowledges that the commercial needs of the group are of utmost importance and all tax advisory will be undertaken in this context. All transactions must have a business purpose or commercial rationale. Elders will not undertake purely tax driven transactions. The requirement to meet commercial needs will in no circumstances override compliance with tax laws.

Elders' overarching tax management principles are to:

- Pay all taxes legally obliged to pay as and when they become payable or on a basis that is agreed with the tax authorities;
- Fully comply with all tax compliance obligations in all jurisdictions that Elders has a business presence;
- Maintain documentary evidence for the defence of all material tax positions in the event of challenge by a tax authority; and
- Operate with the aim of maintaining constructive relationships with tax authorities.

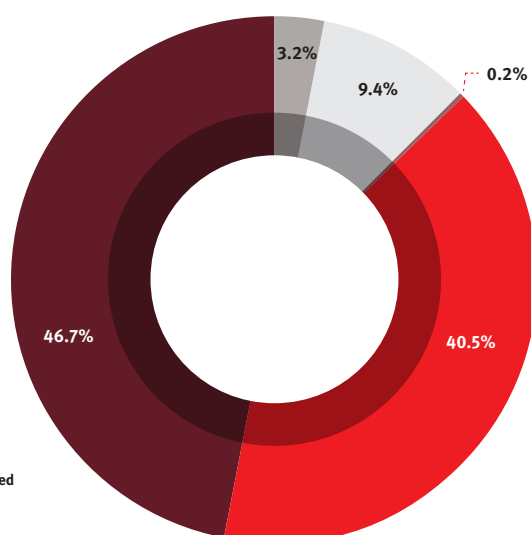
Contribution to Australia

While Elders has only paid a minimal amount of corporate taxes for the 2022 year due to the availability of carried forward tax losses, it has contributed to the Australian economy with the payment of other taxes. In particular, Elders has collected more than \$76m in GST and paid around \$105m of employment taxes, to both Federal and State revenue offices.

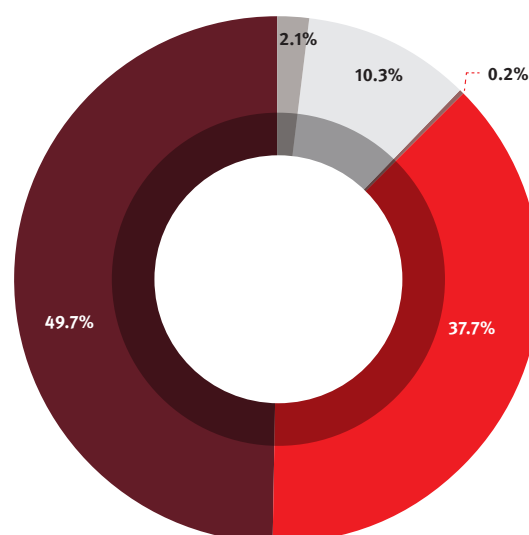
Australian taxes paid/collected - Tax contribution summary

	2022	2021
	\$'000	\$'000
Australian Taxes		
Paid		
Corporate Tax	6,022	2,703
Payroll Tax	17,542	13,421
Fringe Benefits Tax	425	270
Collected		
GST (collected and remitted)	409,050	298,903
GST (paid but claimed)	(333,226)	(249,530)
Fuel tax credits claimed	(345)	(450)
PAYG withholding from employees (remitted)	86,955	64,427
Total Australian Taxes paid	186,423	129,744

Total tax contribution
2022 - \$186,423



Total tax contribution
2021 - \$129,744



ATO published tax information

As part of the ATO's obligation in publishing the tax information for large entities, the following information was published in November 2022 for Elders Limited in relation to its lodged 2021 income tax return:

	2021
Total Income	2,424,548,290
Taxable Income	16,686,985
Tax Payable	Nil

Total income comprises of total revenue for the Elders tax consolidated group for the 2021 year. Taxable income is calculated as all assessable income less allowable tax deductions, after offsetting against carried forward losses. Tax payable is then calculated at 30% of taxable income, less franking credits received from investments.

Reconciliation of statutory profit to income tax expense & income tax payable

	2022	2021
	\$'000	\$'000
Statutory profit before income tax expense	237,737	157,708
Income tax (expense) at 30%	(71,321)	(47,312)
Adjusted for non-temporary differences:		
Adjustment in respect of income tax of previous years	596	360
Impairment of assets	(3,604)	0
Recognition of previously unrecognised losses	0	42,461
Share of equity accounted profits	3,825	3,269
Other net (non-deductible)/non-assessable items	2,777	(2,702)
Income tax (expense)/benefit	(67,727)	(3,924)
Accounting effective company tax rate	28.49%	2.49%¹
Adjusted for temporary differences:		
Provision for employee entitlements	(4,675)	(5,242)
Other provisions	(1,007)	(845)
Capitalised expenses	(630)	376
Inventory	520	(94)
Intangibles	(441)	(878)
Others	3,481	1,610
Recognition of additional previously unrecognised losses	0	6,168
Temporary differences	(2,752)	1,095
Adjustment in respect of income tax of previous years	686	178
Utilisation of unrecognised carried forward tax losses	0	(48,629)
Other assets & liabilities	(455)	(451)
Associates & others	10,798	3,102
Tax losses utilised @30%	59,450	48,629
Income tax (payable) for Elders tax consolidated group	(0)	(0)
Elders Group Revenue Tax Losses at 30%:		
Tax loss brought forward	(109,946)	(158,775)
Overprovision in the year	568	200
Current year taxable income/(loss)	59,450	48,629
Revenue tax loss carried forward (Fully recognised on Balance Sheet)	(49,928)	(109,946)
Elders Group Capital Tax Losses at 30%:		
Tax loss brought forward	(109,472)	(109,513)
Current year capital gain/(loss)	6,014	41
Capital tax losses carried forward (Not recognised on Balance Sheet)	(103,458)	(109,472)

¹The major difference between the company tax rate of 30% and Elders' effective tax rate of 2.49% is due to the recognition of previously unrecognised tax losses. Elders has now fully recognised all previously unrecognised tax losses, as a result of continuous improvement in business operations and forecasted taxable income.

Elders